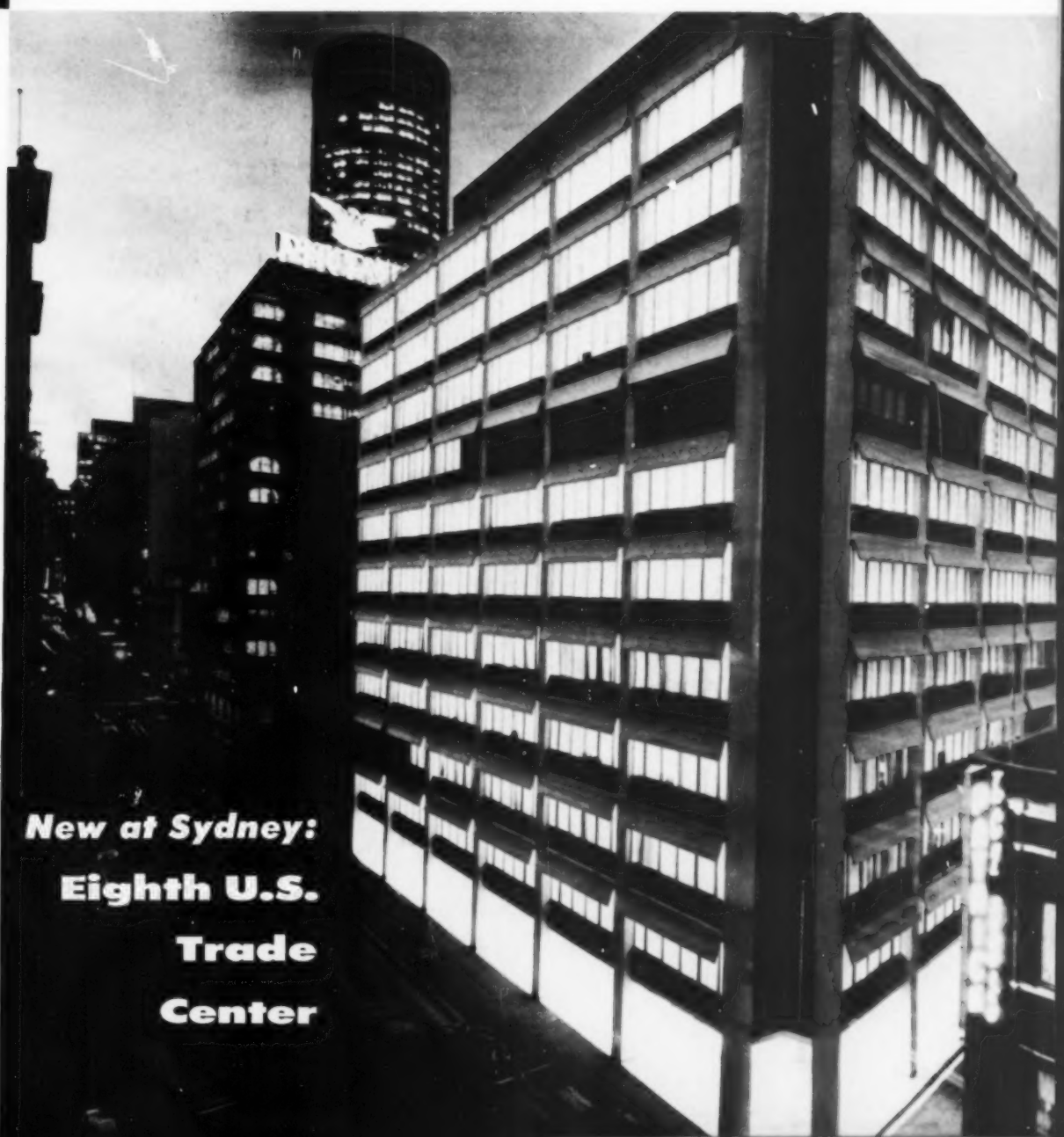
A UNITED STATES DEPARTMENT OF COMMERCE PUBLICATION

June 15, 1970

# International Commerce



## New at Sydney: Eighth U.S. Trade Center

A U.S. DEPARTMENT OF COMMERCE WEEKLY

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# International Trade Winds

## Company News

AIR POLLUTION CONTROLS—Tyco Laboratories, Inc. (AMEX), Waltham, Mass., science-based manufacturer of materials and controls, and the Weir Group, Ltd., Scottish engineering company, have formed a joint venture to be named Tyco-Weir, Ltd. The new company will exploit certain Tyco developments in the air pollution control field, including a process for removing sulfur dioxide and nitrogen oxides from flue gases.

MATERIALS HANDLING EQUIPMENT—Otis Elevator Co., New York, has purchased a majority stock interest in Saxby, a French producer of fork lift trucks and other materials handling devices, as well as a line of electronic signaling products for rail and industrial use. Saxby, located in Paris, is the first materials handling equipment plant Otis has outside North America.

ELECTRONICS—Matsushita Electric Corp. of America, New York, has established an export division for sending products made in the U.S. to Japan. The company has been importing from its Far East factories and selling in the U.S. a wide range of consumer products under the name Panasonic. The new division will now purchase products made in the U.S. and export them to Matsushita group and other Japanese companies.

GASES—Air Products and Chemicals, Inc., Allentown, Pa., has begun shipment of high-purity liquid helium to Japan under a five year contract with Nippon Helium, Inc. Nippon is a joint venture of Mitsui & Co., Ltd., and Daiho Sangyo Co., Ltd., Tokyo. The long-distance shipping is accomplished in cryogenic storage containers designed and built by Air Products which hold the equivalent of 400,000 cubic feet of helium at temperatures of 452 degrees F. below zero for 30 days.

COMPUTERS—Life, a major pharmaceutical producer in Ecuador, has contracted with Sperry Rand Corp.'s Univac Division in Philadelphia for one of the first third-generation computers to be supplied to this South American nation. A subsidiary of the Dow Chemical Corp., Life has ordered a Univac system for installation in Quito for use in production scheduling, inventory control, billing and general accounting.

# Newsletter

Once again, a professional seminar has given added impact to a U.S. Trade Center exhibition. It happened at Milan last month, where an important audience coming to the Chromatography and Spectroscopy Equipment show also attended seminar sessions held in conjunction with the Mario Negri Pharmaceutical Institute. Show sales: an impressive $320,000 off-the-floor, and anticipated $3 million in the next year. Verdict, from 30 of 30 exhibiting firms: good show!

Timing was also a prime circumstance for the Electronic Data Processing Seminar/Trade Mission that visited Taipei, Taiwan, on its way around Southeast Asia from Bangkok last month. The Government of Taiwan is currently turning its attention to the use of EDP equipment, and the software presentation came at just the right time. Mission members expect good sales to follow. Capacity audiences at two seminar sessions also contributed to this optimism.

What happens when an exhibitor at a U.S. Trade Center show just can't find the time to hold demonstrations for all the interested potential customers that arrive? In the case of Texas Instruments, the firm asked for a solo spot later on the London U.S. Trade Center schedule. The January jam-up at the TI booth in the Data Communications exhibition was resolved at a two-day special showing between-regular-exhibitions last month. The results, according to the sales manager of Texas Instruments U.K. subsidiary "have simply been staggering". Selective demonstrations of TI's new data terminal produced sales far beyond the company's expectations.

The Beirut Sample Display Center was the site of a recent showing by Kodak (Near East) Inc. that helped the company introduce microfilming equipment to Lebanese business concerns. Kodak also found the Center an appropriate place to show its slide and movie projectors and a daylight screen new to the Lebanese market.

Seattle and its "sister city" of Kobe, Japan, got together last week at a promotion of Washington State products in Japan—at which the Japanese were also invited to invest in manufacturing and real estate activities in the state. More than 55 State of Washington companies participated in the seminar and exhibit, a project of the Washington State International Trade Fair.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for the detailed know-how and analysis in our regular news columns.

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## the cover

An ultra-modern office building in the heart of a busy commercial section in a throbbing metropolis—it's the site of the eighth and newest U.S. Trade Center overseas, at Sydney, Australia. A story on page 2 explains why the Commerce Department has major plans—as do many U.S. firms—for an operation based on the industrial and commercial future of the Pacific island-continent.

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# International Commerce

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# Sydney Center set to open

## June 29 is date for first exhibition and conference in eighth U.S. showcase overseas

By CHERI STEFFECK
*Staff Writer*

The carpet's down, the guests invited, the conference sold out, and the June 29th opening is just days away—for the U.S. Trade Center in Sydney, Australia, the newest in a series of such American showcases overseas.

The Sydney Trade Center, the eighth facility designed for the promotion of U.S. goods and services in foreign markets, will be operated by the Department of Commerce's Bureau of International Commerce and is the third Center to serve the Far East-Pacific area.

The new Trade Center will occupy two floors of Underwood House at 37 Pitt St. in the heart of the Sydney business district. There is 4,000 square feet of "work" space on the first floor for exhibition stands and a businessmen's lounge, and the Trade Center's offices plus headquarters for the American Consulate General and the U.S. Travel Service will be located on the third floor.

Twenty-four American manufacturers of data communications and graphic systems will mount displays for the first promotion in the facilities which open June 29 for five days. Concurrent with the show is the Computer Communications & Display Conference co-sponsored with the U.S. Association for Computing Machinery and featuring 23 American and Australian experts.

The major emphasis of the Sydney U.S. Trade Center will vary from that of the other seven facilities now serving to boost America's export expansion program. In Sydney, a variety of special promotions will be tailored by the Trade Center's staff mainly to help U.S. firms already in the Australian market to gain greater exposure through their Australian agents and distributors.

### Center's aim

A large proportion of the activities at the other Trade Centers is aimed at identifying and promoting market opportunities capable of development by the introduction of new U.S. exporters or suppliers to the Centers' market areas. The seven other U.S. Trade Centers are located in Stockholm, Paris, Frankfurt, Milan, Tokyo, London and Bangkok.

Australia, the seventh largest export market for the U.S., is rapidly developing. With 62,500 factories producing goods worth over $8.3 billion a year, Australia is far along on the road from an agricultural nation to a modern industrialized country. A major contributor to an expanding economy is new-found mineral deposits.

For Australia to compete effectively in both domestic and foreign markets, that nation's industrial and business complexes are interested in the latest equipment and technologies.

In 1968, Australia's total imports were nearly $4 billion, with the U.S. share of the market valued at $1.2 billion or about 25%. In 1969, the U.S. showed a 5.4% increase in exports to Australia.

Research indicates that four-fifths of Australia's imports were capital goods, raw materials and semi-manufactured items. Major imports from the U.S. were machinery, motor vehicles, chemicals, aircraft and tobacco.

The U.S. market is one of Australia's major outlets. The nation sent 13.8% of its total $4.2 billion exports in 1969 to American markets.

American investments in the country are now valued at almost $3 billion and growing at a rate of $150 to $250 million annually. Approximately 500 American subsidiaries are established there and more than 1,500 licensing agreements, agencies and distributorships for American products are in effect.

### Trade Centers' history

This spring, the U.S. Trade Centers located in seven cities around the world, passed the 300 exhibition mark.

The first U.S. Trade Center opened in London June 26, 1961, with a housewares show. It was followed by openings in Bangkok, May 8, 1962; Frankfurt, Nov. 14, 1962; Tokyo, Apr. 2, 1963; Milan, Jan. 28, 1964; Stockholm, Mar. 16, 1965, and Paris Nov. 11, 1969.

Each of the U.S. Trade Centers abroad is operated by the Department of Commerce's Bureau of International Commerce and offers a variety of services to the American businessman overseas.

CLOSE TO THE HARBOR and in the heart of the business and financial district in Sydney, Australia is the newest U.S. Trade Center. The new facilities are located at 37 Pitt St. in the Underwood House.

American investments in Australia are heaviest in the area of manufacturing, especially in the automobile, chemical and food processing industries, but increased investments by U.S. concerns are being made in mining, oil refining and cattle breeding.

Nearly one-half of Australia's factories are engaged in the manufacture of heavy machinery, including electric and transportation equipment; other manufacturers are chemicals, sawmill products, clothing, food, beverages and tobacco.

Two factors contributing to a growing Australia can be seen in commerce and tourism. In fiscal 1969, the value of retail sales was $12.2 billion, with trends toward supermarket retailing and more suburban shopping centers. With the growing popularity of Australia for tourists, nearly $113 million was contributed to Australia's balance of payments during fiscal 1969.

## Introducing firms

In addition to the Trade Center's aim of bringing greater exposure to American firms already in Australia's market, the Sydney Center will introduce companies, products and services to the Australian market area and assist American firms desiring to establish licensing or joint venture agreements or seeking agents or distributors.

Several exhibits will be planned each year which will be open to both American-based firms or their Australia representatives. Between-show promotions and displays may also be staged by U.S. manufacturers or their representatives. These events may take the form of window displays; private, individual or joint company exhibitions; business receptions and sales meetings; private seminars and products showings; or special product demonstrations.

Prior to each of the promotions at the Sydney Trade Center, a major advertising campaign will be conducted to attract an audience of qualified buyers and key personnel instrumental in plant purchasing plus firms interested in representing American companies in Australia.

In the past five years, several market promotion efforts have been staged in Australia and New Zealand, including ten U.S. trade missions organized by industry with Commerce approval and assistance and a Commerce-sponsored exhibition at the 1967 Melbourne International Fair which brought 51 U.S. companies $3.3 million in sales for machine tools, metalworking machinery and engineering equipment in the 12-months following the event. A total of 25 agents were also signed as a result of the promotion.

**FROM SHIP TO SHORE** is just a matter of steps for the American businessman who shows his goods at the Sydney Center. Above is the White Bay Container Terminals in Sydney and below is a scene from the 1967 Commerce-sponsored exhibition at an international trade fair in Melbourne, which featured 51 firms.



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# Trade hearings led May actions in Congress, other Federal units

## House Ways and Means Committee heard top Cabinet spokesmen; two other legislative units also disscused trade-related items

### CONGRESS

*Hearings:* Public hearings on tariff and trade proposals by the House Ways and Means Committee held the spotlight in May, a month of considerable Congressional activity in the field of international trade. The hearings opened on May 11 with testimony from Ambassador Carl J. Gilbert, the President's Special Representative for Trade Negotiations. Five Cabinet members testified in the next few days: Secretary of Commerce Stans, Secretary of the Treasury Kennedy, Secretary of State Rogers, Secretary of Labor Shultz and Secretary of Agriculture Hardin. In addition, President Nixon sent a letter to the Committee urging the passage of the Administration's trade bill and outlining steps which the Administration plans to take in the near future with respect to certain aspects of U.S. trade policy.

Details of the testimony by these officials and the contents of the President's letter were reported in INTERNATIONAL COMMERCE issues of May 18 and 25. Secretary Stans requested, and was granted, permission to return to the Committee before the hearings close to report the results of negotiations on voluntary textile agreements. June 18 is the date scheduled for this report. The hearings continued into June with testimony from non-government witnesses.

Two other Committees held hearings during the month on trade-related topics. The Foreign Economic Policy Subcommittee of the Joint Economic Committee held sessions during May 13-19 on U.S. policy toward developing countries. This was the third set of hearings in an overall study by the Committee on "A Foreign Economic Policy for the 70's." The Africa Subcommittee of the House Foreign Affairs Committee also conducted hearings.

*Legislation:* The House and Senate cleared for the President S. 2624, to improve the judicial machinery of the Customs Court by amending statutory provisions relating to judicial acts and administrative procedures. The House also passed H.R. 14685, a bill to promote travel in the United States, which was subsequently passed by the Senate but with amendments which in effect substituted the language of a similar bill, S. 1289, for the text of the House version. Conferees have been appointed.

Actions were taken on miscellaneous tariff bills during the month. Passed by the House were: H.R. 6854, to provide duty free entry for a peal of eight light bells and fittings for Smith College; H.R. 8512, to suspend for a temporary period the import duty on L-Dopa, an experimental drug used in the treatment of Parkinson's disease; H.R. 14720, to continue to June 30, 1973 the existing duty suspension on manganese ores; H.R. 16940, to extend to Dec. 31, 1972 the existing duty suspension on electrodes for use in producing aluminum; and H.R. 17241, to continue the existing duty suspension on certain forms of copper to June 30, 1972.

Three other bills were favorably reported by the Committee on Ways and Means: H.R. 6049, to amend the definition of metal-bearing ores in the Tariff Schedules of the United States; H.R. 9183, to provide that imported articles which are exported and subsequently imported into the United States because of failure to meet sample or specifications, shall in certain instances be entered duty-free upon such reimportation; and H.R. 4605, to remove prohibitions against importing, transporting, mailing and advertising articles for preventing conception.

*New bills:* May was also an active month for the introduction of bills on international trade. Seventy-six such bills were submitted, of which 61 propose import quotas. There are now some 800 trade bills before this Congress, including 545 import quota bills.

*This article is another in a series of monthly reports outlining actions in Congress or elsewhere in Government, or by foreign or international bodies, affecting world trade, as noted by the Bureau of International Commerce's Trade & Commercial Policy Division.*

Forty-three of the import quota bills introduced in May were similar to the bill introduced last month by Rep. Wilbur Mills (Ark.) which would institute import controls on textiles and leather footwear. Some 140 such measures are now pending, many co-sponsored by a number of Congressmen.

Twelve other quota bills submitted during May are similar to others already pending on mink, meat, electronic products, glycine, strawberries and general "orderly marketing" arrangements. Three bills covering new products were added to the House roster. H.R. 17481, by Rep. Jacob H. Gilbert (N.Y.) would provide import quotas for handbags, luggage and personal goods of leather. H.R. 17482, also by Rep. Gilbert, would impose controls on toys, dolls, playthings and novelties. H. R. 17609, by Rep. Elford A. Cederberg (Mich.) and five cosponsors, would control imports of sugar beet molasses.

Another import proposal, H.R. 17803 introduced by Rep. George H. Fallon (Md.), would increase the import duties levied on stainless steel sheet and articles thereof.

Two House concurrent resolutions, 605 and 611 by Reps. John S. Monagan (Conn.) and Alexander Pirnie (N.Y.) would authorize the President or his representative in the Office of the Special Representative for Trade Negotiations to modify tariff concessions granted by the United States on certain stainless steel table flatware. (Last September the United States notified the GATT that it was reserving its rights to modify certain trade concessions on such flatware, as well as light aircraft and pet food. See this column of Oct. 13 and Jan. 12.)

Another bill containing provisions related to imports was H.R. 17596, introduced during May by Rep. John Dent (Pa.). The bill to amend the Fair Labor Standards Act of 1938 to raise the minimum wage, would also require the Secretary of Labor to conduct investigations of imports on the request of the President, Congress, any employee organization or any other interested party. If the Secretary determined that an imported product "is causing or substantially contributing to serious impairment or threat of impairment to the health, efficiency and general well-being" of workers or the economic welfare of their community, he would be required to report promptly to the President, who would be authorized to take such action as he deems appropriate. These provisions are similar to those in a bill passed in the 90th Congress by the House, but not acted upon by the Senate. Rep. Dent announced that pub-

lic hearings would be held on the bill in late May or early June by the General Subcommittee on Labor of the House Committee on Education and Labor.

S. 3882 by Senators William Proxmire and Gaylord Nelson of Wisconsin and H.R. 17743 and H.R. 17814 by Reps. John W. Byrnes and Vernon W. Thomson, also of Wisconsin, would shift to the Department of Agriculture the present responsibilities of the Bureau of Customs for classification of dairy products to be subject to the quota and duty provisions contained in Part 3 of the Appendix to the Tariff Schedules of the United States. Part 3 sets forth quantitative limitations which are proclaimed pursuant to Sec. 22 of the Agriculture Adjustment Assistance Act on imported products which materially interfere with U.S. agricultural programs.

Three bills—H.R. 17605 by Rep. Fred B. Rooney (Pa.) and five cosponsors, H.R. 17627 by Rep. Thaddeus J. Dulski (N.Y.), and H.R. 17672 by Rep. James A. McClure (Idaho)—propose to amend the Antidumping Act of 1921 to establish time limitations within which the Treasury and the Tariff Commission must make a finding with respect to dumping and injury. The bills would also change present practices with respect to findings of *de minimus* dumping margin and injury and the acceptance of assurances from importers that presently may lead to dismissal of a case. The bills would also provide the right of judicial review of negative dumping determinations and any Tariff Commission determination.

Congressman James C. Cleveland (N.H.) introduced H.R. 17579, which would require the Secretary of Defense to conduct the investigations and make the determinations required under Section 232 of the Trade Expansion Act of 1962. Section 232 is the national security provision of the Act which authorizes the President to control entries of any article being imported in such quantities or under such circumstances as to threaten to impair the national security. Under existing provisions, determinations of such impairment are the responsibility of the Director of the Office of Emergency Preparedness, who advises the President when an affirmative finding is made.

Several other miscellaneous tariff and trade bills were submitted during May. H.R. 17715 by Rep. Claude Pepper (Fla.) would temporarily suspend import duties on L-Dopa; H.R. 17769 by Rep. Hale Boggs (La.) would permit duty free entry for containers to be used in the packing, transporting or marketing of fruits and vegetables; H.R. 17537 by Rep. Arnold Olsen (Mont.) would legislate "thorough" health, sanitary and inspection procedures for all imported livestock products; and H.R. 17669 by Rep. Dan Kuykendall (Tenn.) would direct the Secretary of Commerce to prohibit the export of hardwood logs found to be in short supply.

## First firm set for adjustment aid

The Estey Piano Corp., of Union, N.J., has been certified eligible for Trade Adjustment Assistance under the provisions of the Trade Expansion Act of 1962, Secretary of Commerce Maurice H. Stans has announced.

Secretary Stans also stated that the Department was ready to assist the Estey Corp. in preparing a proposal which would materially contribute to the firm's economic adjustment. Estey manufactures spinet and console pianos in its Bluffton, Ind. plant.

Secretary Stans said the action, the first since passage of the Act in 1962, was based on a finding that the firm's business operations had been adversely affected by increased imports which resulted from past concessions granted by the United States under the Trade Agreements Program.

The Secretary noted that under the Administration's proposed trade bill currently pending before Congress, escape clause and adjustment assistance relief, where justified, would be more readily provided to particular industries, companies, and workers faced with import competition.

The piano industry was found by the U.S. Tariff Commission in December to have been threatened with serious injury by imports, and President Nixon, in a February proclamation, accepted the Tariff Commission findings and granted permission for individual firms in the industry to request the Secretary of Commerce for certification of eligibility to apply for adjustment assistance.

### THE PRESIDENT

*New Laws:* During the past month the President signed two measures into law: S. 856, a bill authorizing the Federal Government to formally recognize and participate in international expositions to be held in the United States (PL 91-269) and S. 2306, to establish quarantine stations for animals to be imported for use in improving livestock breeds (PL 91-239).

*Report on Coffee Agreement:* On May 11 the President sent to the Congress his report for 1969 on the operations of the International Coffee Agreement of 1968, noting that the Agreement has provided an effective mechanism for influencing coffee prices toward levels which are equitable for both producers and consumers. The President expressed his hope that negotiations would soon be completed for U.S. participation in the Coffee Diversification Fund, designed to bring the supply of coffee into line with demand. He further noted that consultations are under way with Brazil to work out a permanent solution regarding Brazilian exports of soluble coffee to the United States. A temporary agreement was reached in April 1969.

*Report on International Exhibitions:* On May 13 the President transmitted to Congress the seventh annual report on special international exhibitions held during 1969. The report covers exhibits abroad by the United States Information Agency at international fairs and under East-West cultural exchange agreements, exhibits and labor missions abroad by the Department of Labor, and trade missions organized by the Department of Commerce.

*Commission on International Trade and Investment:* On May 21 the President announced the membership of the Commission on International Trade and Investment Policy which will study the foreign trade and investment problems facing the United States in the 1970's and make recommendations for future policy. The Commission, chaired by Albert Williams, Chairman of the Executive Committee of the Board of Directors of IBM, is composed of 26 members from business, banking, unions, universities, and other groups. Dr. Isaiah Frank, Professor of International Economics, School of Advanced International Studies, John Hopkins University, and former Deputy Assistant Secretary of State for Economic Affairs, will serve as Executive Director of the Commission.

### TARIFF COMMISSION

*Decisions on Adjustment Assistance for Shoe Firm and Worker Groups:* On June 1, the Tariff Commission announced evenly-divided (3-3) decisions on adjust-



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ment assistance petitions by five groups of shoe workers and one firm manufacturing shoes, all located in Massachusetts. Petitions for adjustment assistance were filed in April by the Benson Shoe Co., Lynn, Mass., and the workers of the Benson Shoe Co., the Dartmouth Shoe Co. of Brockton, the Hartman Shoe Co. and Lamar Shoes, Inc., both of Haverhill. (See this column, May 11.) The Commission's reports, when printed, will be available from the Secretary, U.S. Tariff Commission, 8th and E Streets, N.W., Washington, D.C. 20436.

*Public Hearings on Tariff Items 807.00 and 806.30:* On May 19 the Tariff Commission concluded two weeks of hearings in its investigation of all relevant economic factors affecting the use of items 807.00 and 806.30, provisions in the Tariff Schedules of the United States which permit the value of U.S. components contained in certain articles assembled or processed abroad to be deducted from the dutiable value of the article upon importation into the United States. The investigation was undertaken at the request of the President. (See this column Sept. 15 and Dec. 15.) About 50 associations, firms, labor unions and other organizations testified during the two weeks of hearings. The unions urged that the tariff items be abolished, since they provide extra incentive for U.S. firms to establish "runaway" plants in other countries.

All other witnesses, with the exception of the Footwear Division of the Rubber Manufacturers Association, urged retention of the tariff items. U.S. and foreign manufacturers contended that the provisions encourage the use of U.S. components in the assembly of items which can compete successfully against wholly foreign-made products in the U.S. and foreign markets, and that repeal of the provisions might have a detrimental effect on their competitiveness and on the U.S. producers of components. Many contended that assembly outside the United States would continue in any case or would continue to increase. The Tariff Commission report to the President is due no later than Aug. 31.

*New Investigation of Four Dairy Products:* At the request of the Secretary of Agriculture, President Nixon has instructed the Tariff Commission to undertake an investigation of the necessity for import controls on four non-quota dairy products which are being imported in increasing quantities; ice cream, chocolate crumb with a fat content of 5.5% or less, animal feeds containing milk or milk derivatives, and certain cheese containing 0.5% or less by weight of butterfat.

The Commission's investigation will be made under the authority of Section 22 of the Agricultural Adjustment Act, as amended, which directs the Secretary of Agriculture to advise the President whenever he has reason to believe that articles are being or are likely to be imported in such quantities as to interfere with the price support program for milk and butterfat and with other agricultural programs. The President may then request an investigation and, upon receiving the Commission's report and recommendations, may by proclamation establish or modify import quotas as he determines to be necessary within the limits specified in the law. Secretary of Agriculture Hardin has stated that all the items concerned are products of recent appearance in international trade and that their importation is a circumvention of existing dairy import controls.

Public hearings by the Tariff Commission will begin on July 7. Interested parties desiring to appear should notify the Secretary of the Commission in writing on or before June 26.

*Tariff Summary:* The Tariff Commission has published the summary of tariff and trade information on optical goods, scientific and professional instruments and watches and other timing devices. The volume is the seventh of eight to be published on the miscellaneous products covered by Schedule 7 of the Tariff Schedules of the United States. Each volume contains information in terms of the tariff schedules on imports, exports, production, world supplies and importance in trade and to the U.S. economy. The series is available for public use at the 42 field offices of the Department of Commerce and at certain public and university libraries in the larger cities.

## OTHER AGENCIES

*Treasury Department—Dumping Cases (whole dried eggs, pig iron, loudspeakers):* On May 1 the Treasury Department advised the Tariff Commission that whole dried eggs from Holland are being, and are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921, as amended. The Tariff Commission has instituted an investigation under section 201(a) of the Act to determine whether a domestic industry is being or is likely to be injured, or is prevented from being established, because of the importation of such merchandise into the United States. Public hearings were to be held on June 9. The Treasury Department has instructed customs field officers to withhold appraisement of imports for a period not to exceed three months. Imports of whole dried eggs from Holland in 1969 amounted to about $449,000.

On May 8 the Treasury Department announced its final determination that pig iron from Norway is not being, nor likely to be, sold at less than fair value within the meaning of the Antidumping Act of 1921. Imports of pig iron from Norway were valued at about $107,000 in March. No Norwegian pig iron has been imported since then.

Treasury has also announced two tentative determinations, both negative, with respect to pig iron from West Germany and loudspeakers from Japan. Investigation of charges of dumping of Japanese loudspeakers revealed that except for one manufacturer there were no dumping margins. This manufacturer offered formal assurance that no future sales would be made at less than fair value. From Jan. 1, 1968 to Sept. 30, 1969 loudspeakers valued at about $29.9 million were imported from Japan. In 1969 pig iron imports from West Germany amounted to about $1.5 million.

*Antidumping Regulations:* Assistant Secretary of the Treasury Eugene Rossides has announced that the Treasury will modify its past practice of not invoking a dumping finding after receiving assurances from foreign exporters that no future sales will be made at less than fair value. Instead, the Treasury will accept such assurances only in cases where the amount of dumped goods has been relatively insignificant.

*Suit Brought Against USDA Marketing Orders:* The West Mexico Vegetable Distributors Association, a group of about 40 U.S. importers of Mexican tomatoes, has filed suit in the U.S. District Court of the District of Columbia alleging illegal discrimination against importers by the U.S. Department of Agriculture. The suit contends that the marketing orders issued by the Department setting size and maturity standards which must be met by both U.S. and foreign growers discriminate in favor of Florida tomatoes. The suit further contends that these standards, issued during the last two years, have reduced Mexican tomato exports to the United States. The suit also alleges that the Department of Agriculture has acted illegally in refusing to grant importers a hearing.

*Temporary Ban on Imports of Australian Mutton:* The Department of Agriculture on May 11 announced that mutton slaughtered in Australia after May 15 may not be imported into the United States until deficiencies in the Australian inspection system are corrected. The action was taken under the Federal Meat Inspection Act after the Department found that Australian carcass identification is not adequate for proper inspection, disposition of questionable carcasses is not in accord-

ance with requirements, and dressing and handling procedures are inadequate in sheep slaughtering plants. The Meat Inspection Act requires that a country exporting meat to the United States must have and enforce laws and regulations equal to those which apply to meat produced in the United States.

*Import Requirements (grapefruit, potatoes):* The Department of Agriculture lowered the minimum grade requirements for all imported seedless grapefruit, effective May 11. Minimum grade for seeded grapefruit remains unchanged at U.S. No. 1. The Department also announced that minimum size, maturity and quality requirements for imported round varieties of potatoes other than red varieties, will be amended.

*Office of Foreign Assets Control:* The Office of Foreign Assets Control has issued a document entitled "Commodity Supplement to the Foreign Assets Control Regulations" which contains all changes made in the regulations from Mar. 8, 1967 through Mar. 31, 1970. Further changes will be distributed as issued and cumulative changes will be issued quarterly.

### INTERNATIONAL

*GATT Accessions:* The United Arab Republic which acceded provisionally to the General Agreement on Tariffs and Trade (GATT) in 1962 became a full member effective May 9. The UAR becomes the seventy-seventh member country. In addition, fourteen other countries have other forms of association and apply the GATT rules to their international trade on a de facto basis. The Contracting Parties are currently examining the applications for membership of Romania and the Democratic Republic of Congo.

*GATT—Non-Tariff Barrier Discussions:* During May and early June the last three of five working group sessions on non-tariff barriers were held in Geneva. Discussions focused on import restrictions and licensing, bilateral trade agreements and voluntary export restraints; standards, health regulations and marking; border tax, surcharge and prior import deposit mechanisms. Each of the working groups discussed proposals for reducing or eliminating such non-tariff barriers. The Committee on Trade in Industrial Products, tentatively scheduled to meet in July, will explore further steps which can be taken under GATT on non-tariff barriers on industrial products.

*GATT—Cotton Textile Arrangement:* During a three day meeting, the Cotton Textiles Committee of the General Agreement on Tariffs and Trade agreed to open for signature an accord which will extend for three years the Long Term Arrangement on cotton textiles. The Arrangement, due to expire on Sept. 30, was originally negotiated in 1962 to regulate international trade in cotton textiles. Some thirty nations are members of the agreement and of the Cotton Textiles Committee.

# Patent treaty delegates clear major hurdle

## Rights of domestic applicants protected in compromise move

The Washington Diplomatic Conference on the Patent Cooperation Treaty has resolved a critical negotiating issue, clearing the way for completion of the conference later this month.

Conference co-chairmen William E. Schuyler, Jr., Commissioner of Patents, U.S. Department of Commerce, and Eugene M. Braderman, Deputy Assistant Secretary of State, said delegates are optimistic that it will now be possible for the participating nations to sign the treaty on June 19 and begin steps for its implementation.

### U.S. concerned

The problem, which had been discussed and debated since late 1968, is of particular concern to the United States which has insisted that it must have freedom to retain control of the "prior art effect" of U.S. patents resulting from applications filed under the treaty.

Industry groups in the United States have urged the Government to insist upon such a provision, to enable the U.S. Patent Office to process patent applications under the Patent Cooperation Treaty in a manner which would not adversely affect the rights of domestic applicants.

The solution reached by the Conference would permit the United States and other countries to maintain principles of current domestic patent law after the treaty comes into operation.

The purpose of the treaty is to simplify the filing of patent applications on the same invention in a number of different countries. Currently, when inventors and businessmen attempt to obtain such protection on the results of their research and development efforts they must comply with multiple patent laws and diverse procedures and formats, using the languages of the various nations that are concerned.

### Language solution

Under one phase of the treaty, an applicant would be able to file an international application in the patent office of his own country in an "agreed language," which would be English in the case of Americans. The application would have a standard format, acceptable to all member nations and would include the designation of one or more member nations in which the applicant desired protection. At the time of filing, the international application would be subject to an international fee, but payment of national fees and translation expenses would be delayed until completion of international processing. An international search report would be prepared by one of several qualified searching authorities, including the U.S. Patent Office, and the United International Bureau for the Protection of Intellectual Property in Geneva would distribute to each state designated by the inventor copies of the international application and the search report.

Use of the provisions of the treaty would be optional, and if an inventor wished to follow the previous system he could do so.

The treaty has been under development since 1966 by the United International Bureau for the Protection of Intellectual Property, the administrative agency of the Paris Union composed of the 78 nations adhering to the Paris Convention on patents of 1883. Several drafts have been prepared and reviewed by "committees of experts" from the several nations prior to consideration of the final draft at the diplomatic level.

## Maryland sends trade mission to Europe

Maryland's first combined industry and trade mission returned recently from a three-week tour in Europe.

The Maryland Port Authority and the Chamber of Commerce were co-sponsors of the mission, along with the State's Department of Economic Development.

The group visited Brussels, Antwerp, Amsterdam, Rotterdam, Duesseldorf, Frankfurt, Paris, London, and Birmingham.



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SERVICE INDUSTRIES TRADE MISSION MEMBERS are (from left) Mark Sulkes, Richard L. Maher, G. Edward Borst, William C. Hensley and Norman Slater.

TRADE MISSION REPORT

# Service industries see chances now to expand their distribution and marketing methods in Germany

## Second specialized group focusing on franchising appraises potential for business after observations in three cities

By G. EDWARD BORST
*Mission Director*

The service industries have been promoting business abroad again.

They found favorable prospects in Asia last fall and they found favorable prospects in Europe last month.

The Commerce Department's first specialized mission comprised of representatives of the service industries—such as suppliers of automatic vending machines, cleaning and laundry services, equipment rentals, fast-service food dispensing—went to Japan in November. The participants found a ready market.

The second went to Germany in May. Visiting Berlin, Frankfurt, and Munich to seek business involving licensing agreements, joint ventures, or franchising arrangements, this mission, too, brought impressive results: The members expect well over $1 million worth of added business for their firms during the next year.

Franchising has not developed overseas as extensively as in the United States. It is commonly practiced in Germany by oil companies which appoint service station franchisees and call them "agents" and by manufacturers of soft-drink concentrates —such as Coca-Cola, Pepsi-Cola—who grant franchises to bottlers and call them "concessionaires."

### Recent developments

In other fields, franchising was virtually unknown until 1968—with the exception of the British-organized "Wimpy" sandwich chain which has now one or more units in more than ten German cities.

The first concrete franchising developments, involving such companies as Hertz, Avis, Holiday Inns, Manpower Inc., and Martinizing, took place in 1969.

Realizing the difficulty of promoting a relatively unfamiliar distribution and marketing method, four well-known American franchising corporations—Shakey's, Uniworld, Postal Instant Press and Dunkin Donuts—decided to visit Germany and find out for themselves what could be done. Each company was represented by a top official and the mission spent two weeks in Germany. The results for three of the four firms were very satisfactory and made this initial exploratory trip worthwhile indeed.

### Locating is a problem

The members learned that finding good locations is one of the most difficult problems a franchising organization encounters when it enters the German market. Due to the scarcity of land and local building restrictions, store front locations are normally preferred over free-standing buildings. Downtown locations with good traffic are expensive and difficult to locate.

Drive-in food service is practically unknown in Germany and requires land, which is expensive and tightly controlled by zoning ordinances. All restaurant concessions on the German superhighway system are under the monopoly control of a government owned corporation, located in Bonn. Also, choice restaurant locations are frequently controlled directly or indirectly by the breweries in the larger German cities.

Another difficulty is the extremely tight labor market in Germany. Getting help and retaining help is difficult and expensive. One source of labor, especially in the

service trades, is the growing population of "guest workers" in Germany, many of whom speak little German.

## Market research lacking

Mission member William C. Hensley, Marketing Director of Postal Instant Press, Inc., which operates 103 shops in the United States and five in Canada, reports that his firm had been receiving inquiries from Europe for more than two years and no one had researched the European market for his Printing-While-U-Wait business.

A firm in the Duesseldorf area was interested in either a joint venture or some other method of handling Postal Instant Press in Western Germany. After meeting with printers, businessmen and equipment suppliers in Berlin and Frankfurt, Hensley decided the timing was right to proceed into test stores. On May 13, he negotiated a letter of intent for a master franchise in Western Germany and continued to look in Munich for possible franchisees for his master franchisee.

## Pinpoints results

Richard L. Maher, Executive Vice President of Shakey's Inc., reports the following specific achievements:

► Established two solid franchise prospects—one a diversified and progressive concern and the other a qualified businessman.

► Established contacts with such potential suppliers as food brokers and breweries. Not only was the groundwork laid for future business dealings, but much invaluable information was obtained, which will have a pronounced effect upon their European expansion plans.

► Secured offers of financial help from certain breweries to provide equipment in return for exclusive rights to serve their beers in Shakey's establishments.

► Obtained offers of real estate services from breweries and certain financial institutions.

Maher said that the stamp of authenticity of a trade mission enabled him to quickly get down to business and that the scheduling of appointments, obtaining instant information from the Foreign Service Posts aided materially in the amount of business accomplished.

**BRIEFING AT AMERICAN CONSULATE AT MUNICH** was led by Consulate staff (left and right in photo) Ronald B. Casagrande, C. Norman Hanley and Pratt Byrd, and Mission members and associates (from third left) Mark Sulkes, Alfred H. Schroeder, Richard L. Maher, G. Edward Borst and William C. Hensley.

## Faith in franchising

Mark Sulkes, Executive Vice President of Uniworld Franchise Development Corp., commented that there are many opportunities in Germany for the U.S. franchiser provided he does his homework well and is willing to spend time and money on thorough research and preparations. With these points in mind, his company has established headquarters in London with multinational personnel in order to render fully operational support for European franchisers.

Commenting that the time has come for franchising in Europe, Sulkes referred to what he calls the "retail revolution": "This situation which developed in America 20 years ago is now happening in Europe, where the small retailer is gradually being replaced by chain operations."

He believes that a great opportunity exists for the franchise method of doing business. "It offers more security than independent business and a tremendously high rate of return because the independent franchisee gets the benefit of the economies of mass purchasing power and the most modern technology."

He pointed out, however, that for U.S. systems to be successful in Europe, Americans would have to realize that they need to work with Europeans, to think European, to adapt their American systems and make the changes necessary to assure success in Europe.

**BUSINESSMAN'S GREETING** is extended by Alfred H. Schroeder, European manager for Shakey's, who offers his card to a German visitor at a reception sponsored by the Mission in Berlin.

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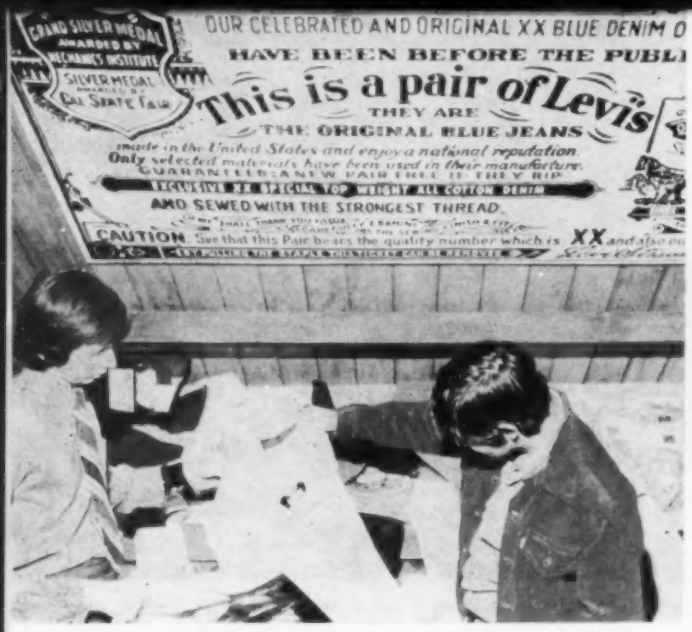
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Only selected materials have been used in their manufacture.
GUARANTEED A NEW PAIR FREE IF THEY RIP
AND SEWED WITH THE STRONGEST THREAD.
CAUTION

**EQUAL EMPHASIS ON EXPORTS** has paid off handsomely for Levi Strauss & Co., which markets its products in more than fifty countries. At left, young customers inspect display at a Brisbane, Australia store. At right, another truckload leaves the firm's central distribution center for Europe in Antwerp, Belgium.

# Commitment's the answer

## Levi Strauss gives exports equal priority with domestic business—and sticks to it

Can U.S. producers compete effectively abroad in lines where foreign manufacturers have many built-in advantages? Levi Strauss & Co. of San Francisco thinks so, and is doing quite well at it.

Levi Strauss maintains that it is the world's largest manufacturer of men's and women's branded sportswear. The firm's success has been spectacular in export development. Capitalizing on its uniquely American product, the firm has been able to overcome the lack of any significant technological advantage and far cheaper foreign national competition.

Levi Strauss' exports by its domestic operations expanded tenfold from 1964 through 1969 and the brand is now marketed in more than 50 countries. When asked their success secret, Levi's officials cite "commitment", that is, a corporate policy commitment to give export programs equal priority with domestic market development, and then backing up that policy with necessary commitment of people, money and resources.

### Seeks top people

Over the past several years the firm has hired eleven M.B.A.'s into its international organization, including several high ranking graduates of Harvard, Stanford, American Institute of Foreign Trade, and other graduate business schools. In addition, numerous executives from various domestic departments have also been selected for positions in export management in either the home office or in overseas locations.

In one recent month alone three domestic middle management executives were transferred to foreign marketing subsidiaries.

Relatively young international personnel are given considerable responsibility and rank within the company, and the 39-year-old director of international operations is an officer, member of the executive committee, and director of Levi Strauss & Co.

### Top money priority

Though all Levi Strauss & Co. capital resources could easily be used in domestic market expansion, the firm has backed up the top priority given export development with the capital resources necessary to do the job. This has been neither easy nor cheap, because, with the advent of U.S. regulations curbing export of capital, requiring repatriation of foreign earnings and placing limitations on inter-company receivable balances, the task of financing much of the firm's export marketing activity has fallen on high cost foreign-source borrowing.

Examples of capital commitments to export expansion have been: building new domestic production facilities to provide additional merchandise for export, providing working capital for new foreign marketing subsidiaries (start-up costs, inventories, customer accounts receivable), heavy foreign advertising and promotional programs, maintenance of multimillion dollar U.K. import deposits, and investment spending on training and development of export marketing and administrative personnel.

### Foreign marketing subsidiaries

Levi Strauss concluded some years ago that, though costly in the short run, maximum foreign sales of U.S. exports could be best achieved by the firm's own sales organization rather than by non-affiliated distributors or agents. Accordingly, substantial executive time and funds have been invested in either establishment of foreign marketing subsidiaries or acquisition of existing foreign distributor organizations.

At present the company has 12 such foreign subsidiaries. In all cases these ac-

tivities have required a substantial commitment of personnel and capital. But in all cases their establishment has also resulted in dramatic increases in export sales and earnings. Sales increases of several million dollars in the first year of a subsidiary's operations have been common.

In addition to inventories of U.S. exports maintained by the various subsidiaries mentioned above, the company also maintains a large distribution center in Antwerp, Belgium, in support of stocks maintained in each individual market. The expansion of the firm's U.S. export sales in Europe is borne out by the fact that this central European warehousing facility has been enlarged four times in the past six years.

## Commitment of merchandise

In recent years there has been a constant shortage of merchandise available for the domestic market. The firm has, nevertheless, always allocated a substantial portion of total production for export purposes, believing that the only way to establish solid long-term foreign markets is through continuity of sales development rather than offering its products only in times of domestic overcapacity.

Incidentally, it should be noted that export merchandise is produced especially for export rather than merely drawn from domestic inventories, and this approach has permitted the firm to change designs, fabrics and specifications considerably in order to suit the different tastes of various foreign markets. In addition to domestic exports, foreign sales have been augmented by the establishment of foreign production in countries where apparel imports are effectively barred or where other special local conditions require. Even in those instances, however, all but one overseas plant is using textiles exported from the United States.

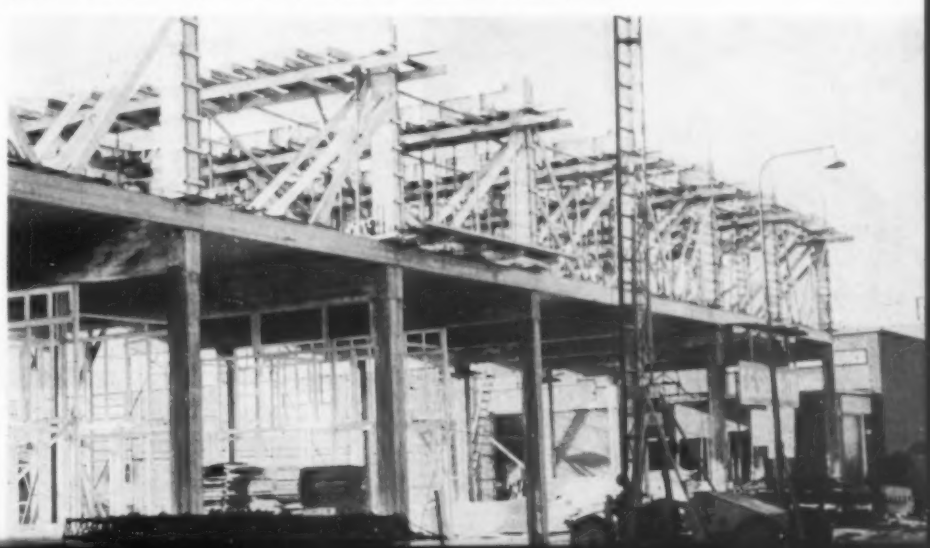
## Can't be half-hearted

Summing up, Levi Strauss believes real export success cannot be achieved on a half-hearted "something for nothing" basis; the corporation must as a matter of corporate policy resolve that development of world markets receive priority equal to any other, and that this objective be backed up with a long-term commitment of people, money and other resources at least equal to that given to domestic goals.

In the case of Levi Strauss this commitment has resulted in a tremendous expansion of its export sales and earnings and in establishment of its brand as the largest selling brand of pants on a worldwide basis.

THROUGH RAIN, SLEET AND SNOW of Scandinavia, Levi's messengers complete their appointed export rounds. Above, a container shipment is unloaded at the Levi Strauss Scandinavia, A.B. distribution center.

THE LEVI MESSAGE is brought home forcefully on a Hong Kong street corner, above, while construction work proceeds on a Levi headquarters. Many overseas units have had to be expanded.





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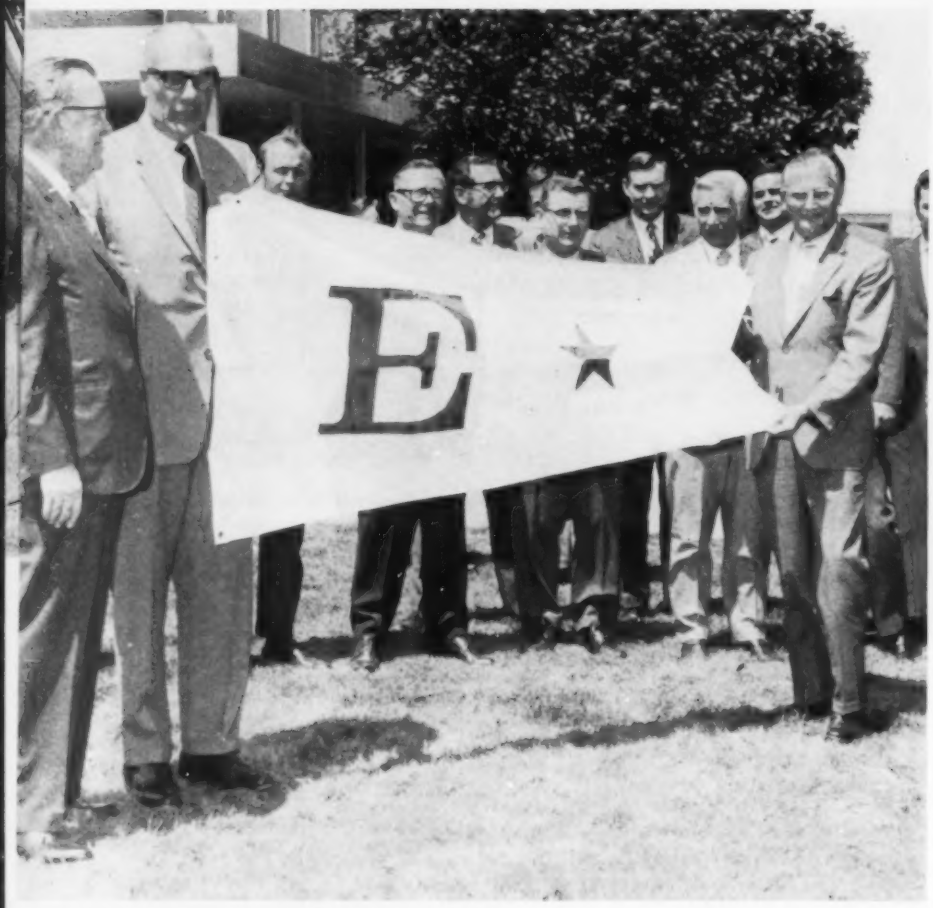

FLAG RAISING CEREMONIES in Illinois honor DoAll Co.'s new award, photo at left, as company President P. J. Weber, left and company and Commerce representatives hold the flag. Above right, Donald W. Douglas presents an "E" Star certificate to Paul Brauner, President of Brauner Export. Below, Secretary Stans presents an "E" Star certificate to Howard F. Carver, President of Gleason Company

# Seven more 'E' Stars fly in six states

Seven of the many "E" Star awards presented to businesses and organizations recently, and the company officials, are pictured on these two pages. The "E" Star, a citation to previous recipients of the Presidential "E" award recognizing continued excellence in the field of exports, was first given in May.

The seven "E" Star recipients pictured include six businesses and the Department of Conservation of North Carolina, cited for continuing development of international trade promotion programs. The state agency promotes trade missions to Europe, Scandinavia, South America, the Far East and Australia and participates in international trade shows and Commerce-sponsored events. Currently the Department sponsors in-plant conference programs and an export trade lead program.

A 1967 mission to four South American nations produced sales of $37,000 for mission members and approximately $1 million in first year sales.

A manufacturer of machine tools and industrial supplies, the DoAll Co., Des Plaines, Ill., promoted its sales in Europe through establishing sales stores in the Netherlands and the United Kingdom and a wholly-owned manufacturing plant in Sweden. A demonstration truck equipped with several of DoAll's machines travels throughout Europe for on-the-spot demonstrations in customers' plants.

A 1963 recipient of the "E" award, Brauner Export Co., St. Louis, was recognized for continued achievements in exporting heaters and components. A major factor in its increased volume of exports is the firm's participation in Commerce-sponsored exhibitions abroad.

Moog Industries, Inc., St. Louis, has increased its number of dealers and distributors to over 500 to handle sales of its automobile replacement accessories

throughout the world. To accomplish this, the firm redesigned packaging, supplies foreign language films, operates a mobile advertising unit in the Philippines, and ships export orders in 10-20 days after receiving them.

Increased competition from traditional markets caused officials of Rex Chainbelt, Inc., Milwaukee, to investigate new marketing areas in developing nations, particularly in Africa and Latin America. As a result the company has increased sales of its soil-stabilization equipment by more than $1.5 million. By a more selective marketing program in Europe, the company raised sales of its road-paving and materials handling equipment. Three new overseas sales offices have been opened in the last two years.

Gleason Works, Rochester, N.Y., exports sophisticated machine tools and employs a staff of overseas area managers to work directly with customers. Through technical training courses and promotion activities in international trade shows, the firm has increased sales. Today Gleason is represented in 21 countries by dealer organizations with personnel trained at the factory and in another 28 nations by local sales and service firms.

The Mica Corp., Culver City, Calif., produces epoxy glass laminates for printed circuits and exports into highly competitive markets. To effectively market their products, the corporation offers quality service to customers and has entered into long term contracts with lower, but protected prices.

READY TO HOIST THE "E" STAR FLAG in Milwaukee are officials of Rex Chainbelt, top of page. Holding the flag (from l.) are Robert V. Kirkorian, Rex President; J. R. Strassburger, Rex Int'l President; Howard L. Phillips, Wisconsin REEC; Wisconsin Gov. Warren Knowles, and David F. Howe of the Milwaukee Field Office. Middle, representatives of Moog Industries and REEC officials hold up Moog's new flag. Secretary of Commerce Maurice Stans presents "E" Stars in Washington to Mica Corp. officials, below left, represented by Bernard Kessler, and to Roy Sowers, below, of the North Carolina Department of Conservation.

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# U.S. exports to Mexico advance at modest rate

## Imports grow nearly twice as fast as sales, but our trade surplus remains sizable

The value of U.S. shipments to Mexico was moderately higher last year than in 1964. Over the same period of the last half of the decade of the '60s, our imports of Mexican goods expanded almost twice as rapidly as exports to that country.

Despite such a marked differential in growth rates, it should be noted that U.S. deliveries of $1.4 billion in 1969 were substantially larger than purchases, netting a surplus of more than $400 million in our trade with Mexico.

Mexico is still the sole billion dollar U.S. market in Latin America. Absorbing 4% of the nation's exports, it is our fifth largest outlet in the world. The U.S. remains Mexico's most important supplier by far. Nevertheless, our share of the market drifted downward, declining by six percentage points to 63% in the five year period. The bulk of Mexico's goods —some two-thirds—are sold in the United States.

### Imports grow moderately

Mexico's relatively high rate of economic growth has created strong demand for foreign goods, especially capital goods needed for continued development. Restrictive government policies, however, have held imports to moderate increases. From 1964 to 1969, Mexican imports from all sources increased by less than two-fifths, about the same rate as for the rest of Latin America, although faster than the average rate for developing areas. Exports have outpaced imports, rising by over half during these years.

Good economic prospects in Mexico coupled with political stability have appealed to foreign investment capital. In 1969 alone, the inflow of such funds amounted to $139 million, while foreign borrowing raised another $347 million. Investment there may have been deterred by the requirement that certain businesses be "Mexicanized." This policy stipulates that at least 51% of a business be owned by Mexican interests. In practice, it has been applied to most new firms except those requiring extensive investment or highly complex technology and those producing mainly for export.

Attracted by low-cost labor and duty-free entry, a considerable number of American-owned assembly plants have been established in Mexico along the U.S. border, most of them since 1966. Shipments of parts and partially-completed products to these border industries rose markedly faster than total exports. As the assembled components and finished goods were returned to this country, they made a substantial impact also on our imports from Mexico.

Proceeds from the border trade and from tourism help to reduce Mexico's trade deficit and, along with loans and foreign investment, to buy the capital goods that it needs to accelerate development. While the country provides a substantial market for U.S. machinery and equipment, government measures restrict purchases of the types of goods made in Mexico in order to encourage local production. Import licensing has been one of the most effective tools in this respect. Limits on foreign consumer goods are especially tight. Some luxury items may be brought in if not manufactured domestically, but they are severely taxed.

The restrictive import policy reportedly has been relaxed recently to encourage competition for the less efficient Mexican industries whose products sell at prices more than 90% above comparable foreign goods. It is too early to observe the extent or the effects of this policy change.

The Mexican import market is thus limited largely to capital equipment and other products that cannot be manufactured locally, either because of the relatively small demand for advanced and specialized goods requiring heavy capital inputs or because of the high degree of technology needed for their production.

From 1964 to 1969, U.S. exports to Mexico rose by 31% to over $1.4 billion. Machinery accounted for more than a third of our sales by the end of the period, up by six percentage points from its 1964 share. This increase was largely at the expense of transport equipment which declined in importance by about the same amount. Basic and miscellaneous manufactures, a group of diverse products which consists mostly of consumer nondurables and metals and other semi-manufactures, rose to make up about 17% of our exports. The role of chemicals in our export mix diminished slightly as Mexico began producing more of these products. Foods and other agricultural commodities remained of minor importance.

### Machinery tops exports

Machinery was the fastest growing and most important element in our exports to Mexico during 1964-'69. Rising by nearly three-fifths, sales in the latter year approached a half billion dollars. Although advancing appreciably slower than electric machinery, nonelectric machinery remained dominant, representing about 70% of the machinery total.

Heavy demand throughout the period for U.S. internal combustion engines, agricultural machinery, and construction and mining equipment reflected more intensive development of Mexico's mineral and farm resources and expansion of its industrial facilities. The 1969 export value of each of these three commodities was around

**U.S. trade with Mexico**

| Year | U.S. exports to Mexico | U.S. imports from Mexico |
|---|---|---|
| | *(Millions of dollars)* | |
| 1964 | 1,107 | 653 |
| 1965 | 1,106 | 646 |
| 1966 | 1,180 | 759 |
| 1967 | 1,222 | 754 |
| 1968 | 1,378 | 910 |
| 1969 | 1,450 | 1,029 |
| | % change | |
| 1964-69 | +31 | +58 |

Source: U.S. Bureau of the Census.

$30 to $40 million. Sales of engines doubled in five years, mainly for assembly into road motor vehicles. Construction and mining equipment, predominantly for oil drilling, grew by one-half, while agricultural machinery increased by one-sixth.

Also among the leading sales gainers were pumps and centrifuges and heating and cooling equipment. Shipments of both types of products peaked in 1967 and then fell back, but ended the period substantially above their 1964 levels. The record 1967 sales of heating and cooling equipment were tied in large measure to construction for the Olypmic Games.

In contrast, exports of metalworking machinery weakened significantly, dropping by a fourth to $28 million last year. The decrease was due mainly to the inroads of lower priced European machinery, especially from Germany.

Office machine sales grew steadily each year until a dramatic advance in 1969, when they more than doubled to $32 million. Largely responsible for this jump were shipments of electronic computers and parts which surged to $23 million from negligible levels. These parts were destined for assembly under the border industrialization program and return for sale on the U.S. market.

Shipments of electric machinery climbed sharply, reaching more than twice their 1964 value. In this case, too, an important factor was the export of components for assembly under the border program. Prior to 1967, this traffic was relatively insignificant. Primarily affected were shipments of telecommunications apparatus—principally TV chassis, receivers, and related equipment—and semiconductor devices and parts. In 1969, these movements still represented around two fifths of our total sales of electric machinery but accounted for almost three-fourths of the increase since 1964.

With the enlargement of power sources in support of industry and the tourist trade, our sales of electric power machinery grew at impressive rates. Deliveries advanced almost without interruption each year to more than double their 1964 level. Circuit breakers, switches, and related equipment made up over half the total last year.

U.S. exports of transport equipment dropped significantly in 1965 and then recovered but, except for an advance in 1968 also stimulated by preparations for the Olympics, failed to regain the 1964 level of $256 million. The decline, which amounted to one-tenth over the five year period, was attributable principally to a slump in sales of motor vehicles following the expansion of automotive manufacturing facilities in Mexico. Exports of parts, however, benefited from these developments. Following a different pattern, deliveries of these components rose appreciably in 1965 and moved modestly upward for several years until 1969, when they advanced strongly.

## Principal U.S. exports to Mexico

| Commodity | 1969 value | Change from 1964 | |
|---|---|---|---|
| | $ millions | $ millions | % |
| **Total** | **1,450** | **+343** | **+ 31** |
| Road motor vehicles and parts | 180 | — 20 | — 10 |
| Organic chemicals | 64 | + 27 | + 72 |
| Electric power machinery and apparatus | 39 | + 20 | + 111 |
| Internal combustion engines, other than for aircraft | 38 | + 18 | + 89 |
| Construction and mining machinery and parts | 34 | + 11 | + 49 |
| Iron and steel-mill products | 33 | + 14 | + 72 |
| Telecommunications apparatus and parts | 31 | + 25 | + 470 |
| Inorganic chemicals | 30 | + 4 | + 16 |
| Agricultural tractors, machinery, and parts | 30 | + 4 | + 16 |
| Semiconductors and parts | 30 | [1] | [1] |
| Metalworking machinery | 28 | — 10 | — 26 |
| Aircraft, parts, and engines | 27 | + 10 | + 59 |
| Natural gas | 26 | + 10 | + 66 |
| Pumps, centrifuges, and parts | 23 | + 8 | + 52 |
| Electronic computers and parts | 23 | + 22 | +1,662 |
| Petroleum products | 23 | + 6 | + 38 |
| Paper and manufactures | 23 | + 10 | + 73 |
| Measuring, controlling, and scientific instruments | 27 | + 8 | + 42 |
| Clothing | 22 | + 16 | + 235 |
| Iron and steel scrap | 21 | — 4 | — 15 |
| Heating and cooling equipment | 20 | + 9 | + 76 |

[1] Comparable data not available for 1964.
Source: U.S. Bureau of the Census.

Deliveries of unassembled passenger cars held even at around $40 million a year until 1968 when they jumped by 70% as Mexico prepared for the Olympics. These shipments declined moderately in 1969. Also because of the same stimulus, exports of motor buses rose sharply in 1968, only to fall back to previous low levels the following year. Sales of assembled U.S. passenger cars, chiefly over six cylinders, varied little over the period as Mexican regulations restricted their entry.

With only a small aircraft industry of its own, Mexico depends largely on the United States which supplies more than 90% of the market. Mexican orders for aircraft, engines, and parts rose in the mid-sixties as airlines prepared for the influx of visitors expected for the Olympics. Deliveries climbed sharply in 1966 and reached a peak of nearly $50 million in 1968. Once the particular need had been met, sales fell to about half that level.

Sales of locomotives reached $15 million in 1968, only to revert to previous, lower values in 1969. Other railway vehicles and parts remained virtually static, hovering around $10 million each year for most of the period.

U.S. sales of a variety of measuring, controlling, and scientific intruments rose steadily to record an overall advance of more than two-fifths. The increasing sophistication of Mexican industry, to encompass petro-chemicals, for example, provided an expanding market for these items, the bulk of which consisted of industrial process control instrumentation.

Sales of a miscellany of U.S. manufactured goods needed to further Mexican industrialization and general development also advanced notably. Deliveries of iron and steel products increased by three-fourths to $33 million. Among these manufactures, tubes, pipes, and fittings were the most important export items, growing in most years in keeping with expanding needs of the petroleum and chemical industries, as well as urban water supply and irrigation systems. Our exports of paper and paper products also grew rapidly. Mexico is our most important foreign customer for newsprint paper and sanitary food containers and a growing market for various types of industrial papers. Meanwhile, sales of all types of film nearly



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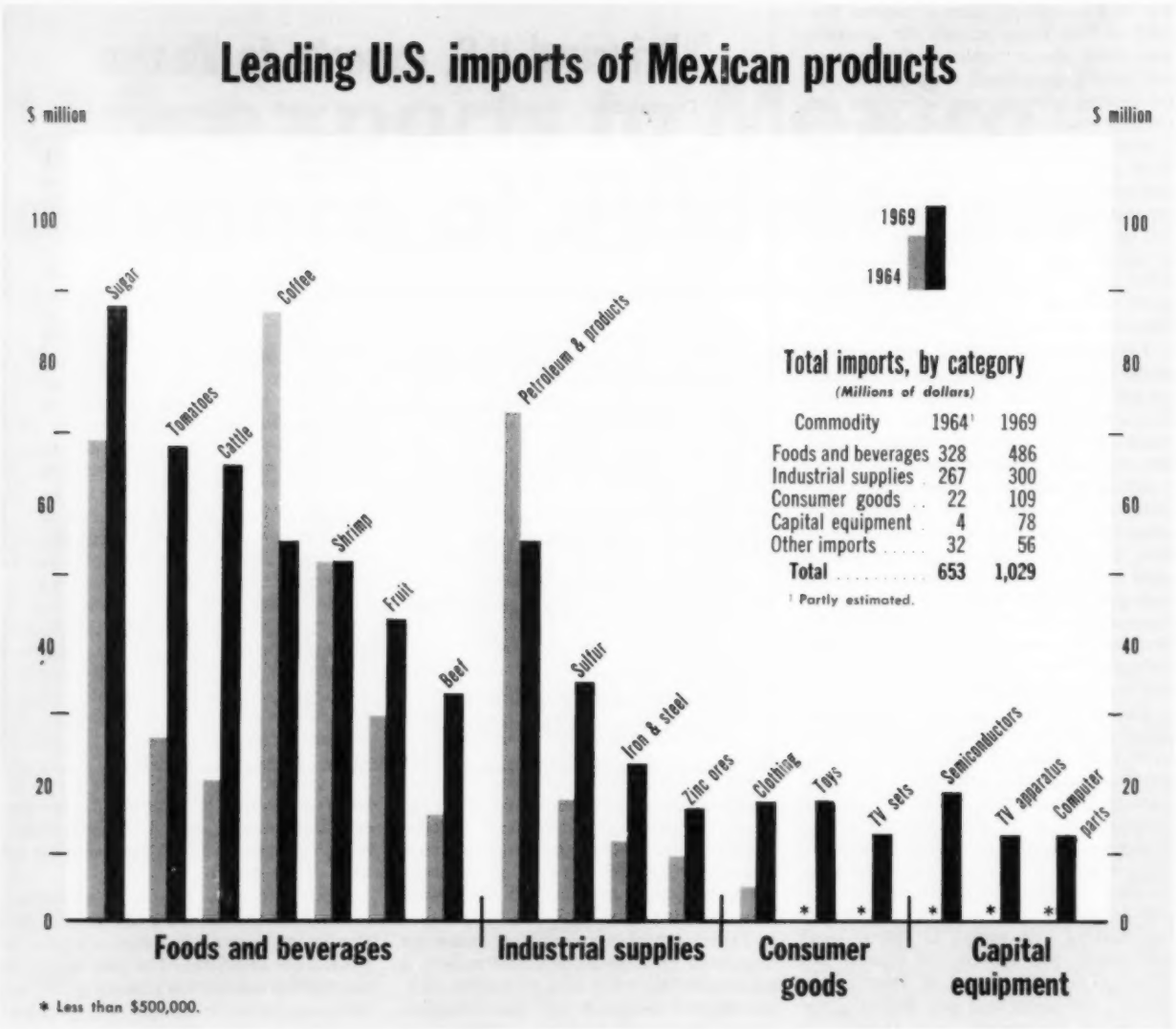


**Total imports, by category**

*(Millions of dollars)*

| Commodity | 1964[1] | 1969 |
|---|---|---|
| Foods and beverages | 328 | 486 |
| Industrial supplies | 267 | 300 |
| Consumer goods | 22 | 109 |
| Capital equipment | 4 | 78 |
| Other imports | 32 | 56 |
| **Total** | **653** | **1,029** |

[1] Partly estimated.

doubled to $13 million and sales of cameras and other photographic equipment almost tripled.

Exports of U.S. chemical products trended upward slowly from 1964 to 1968, then leveled off. While Mexico's efforts to increase agricultural production created a continuing demand for fertilizers and pesticides, these requirements were met increasingly from domestic sources. On the other hand, despite expanded areas of application for organic chemicals, the total volume used in Mexico is not yet sufficient to warrant the domestic investment required for a diversified local industry. Thus, the moderate growth in our overall chemical exports was largely attributable to sales of organics which climbed by around three-fourths to $64 million.

U.S. fuel shipments doubled to reach $68 million in 1969, partly to supply the soaring coke needs of the largest steel mill in Latin America, established near the U.S. border. Increasing piping of natural gas to the northern area of Mexico, to which the country's own lines have not yet been laid, also contributed substantially to the increase. Meanwhile, shipments of steel scrap fluctuated but moved to lower levels during the last two years.

## Exports to Free Zones surge

U.S. shipments to the Free Zone areas in Lower California and Sonora increased at nearly three times the rate of gain in our total exports to Mexico from 1964 to 1968, according to the latest available Mexican trade figures. Thus, during the period, these shipments rose from 10% to 13% of Mexico's imports from the United States. In 1964, deliveries to these areas consisted principally of automotive products, tractors, and milk products, largely for domestic consumption. More recently, an increasing portion of such movements consisted of electronic components for assembly, as well as clothing and toys for additional processing and re-export.

## Food items dominate imports

Although diversification of export markets, as well as foreign sources of supply, is a tenet of Mexican long-range policy, the United States continued as Mexico's best customer. At just over $1 billion, U.S. imports of Mexican goods last year were

nearly three-fifths above the level five years earlier.

Our purchases of Mexican goods trended generally upward, though pausing in some years. Smaller arrivals of sugar and coffee, due to bad crops in Mexico, kept imports from rising in 1965. A strong general recovery occurred the following year, stimulated by rising U.S. food prices and featuring expanded demand for nonferrous metals and cotton yarn. Imports remained virtually level in 1967, as the inflow of petroleum products, nonferrous metals, and beef and cattle slowed. A record increase of around $16 million in 1968 was marked by heavy movements of beef and cattle, electric machinery and other border trade items, and, again, nonferrous metals. Arrivals from Mexico continued to advance on a broad front in 1969.

### Food, beverage imports rise

With an initial advantage of proximity to the U.S. market, Mexico was able to respond to our expanding demand for farm products because of a favorable year-round climate for temperate zone agriculture and its plentiful supply of low-wage labor. Thus, the inflow of foods and beverages increased substantially. These products accounted for half our total imports from Mexico over the five years.

Industrial supplies comprised about two-fifths of our import mix in 1964 but shrank to less than a third by 1969. In contrast, capital and nonfood consumer goods began playing a more prominent role following the inauguration of the border industrialization program in 1966. By 1969, a tenth of our purchases from Mexico was in non-food consumer goods and nearly the same proportion in capital goods.

Increasing almost uninterruptedly in value, fruits and vegetables constituted the largest U.S. import from Mexico from 1966 onward, supplanting crude petroleum and products. Fresh vegetables were the main components of this farm produce, making up two-thirds of the total. Tomato imports alone approached $70 million in 1969.

Coffee and, to a lesser extent, beef and other meats have also become major items in the trade with Mexico. With our purchases surpassing $100 million last year, Mexico became our third largest foreign supplier of these products after Australia and New Zealand. Since January 1969, U.S. imports of beef from Mexico have been subject to a voluntary restraint program. In earlier years, despite rising U.S. demand, our purchases were limited by the Mexican quota on beef and cattle exports imposed to enlarge herds. As a result, our cattle imports were confined to steers and bulls until last year, when drought conditions in Mexico forced marketing of heifers. The beef is of utility grade used primarily for prepared meats, principally sausages and hamburgers.

Largely because of the transfer of part of the Cuban quota, sugar has been one of the largest U.S. imports from Mexico. Per capita consumption of sugar rose in this country during the sixties, and Mexican growers extended the area under cultivation to meet this demand. On the other hand, our purchases of coffee were a third smaller last year than in 1964.

Shrimp also ranks high among food purchases, with 1969 imports of over $50 million. While U.S. demand continues to grow, Mexico's catch has been declining in recent years, and other countries have stepped into the breach in this still predominantly Mexican market.

### Industrial supplies rank next

Although industrial supplies rank second only to foods and beverages among U.S. imports from Mexico, they grew least of the broad product groups between 1964 and 1969. Entries of crude petroleum showed little change, but the value of petroleum products generally was sharply reduced when Mexico built its own cracking facilities and ceased shipping gasoline to this country for processing.

In contrast, sulfur imports rose substantially, climbing by around 85% to $34 million. Mexican supplies are an important supplement to our output, even though it is the largest in the world, and help meet the increasing agricultural and industrial requirements for this element. Imports of other industrial materials, especially zinc ores, copper, lead, and silver, moved erratically and increased only marginally in value from 1964 to 1969.

While the bulk of Mexico's export income comes from foods and industrial supplies, softening world prices, especially of sugar, cotton, and coffee, led the government to intensify efforts to export manufactured goods. These efforts have so far had limited success. Prices of these goods are generally not competitive with those of other suppliers and the volume of production is still small.

U.S. imports of capital and nonfood consumer goods combined reached $187 million in 1969, with the trade between this country and border assembly plants in Mexico accounting for more than three-fourths of the total. Of the remainder, the only significant purchase was bulk synthetic hormones which in 1969 amounted to $5.4 million.

## Mexican salary study

**The American Chamber of Commerce of Mexico has recently published its current *Survey of Salaries and Benefits among Manufacturing and Service Enterprises*. This study includes the cities of Mexico, D.F., Guadalajara and Monterrey.**

**This $50 bilingual survey considers labor union, fringe benefits, salary administration based on job evaluation, holiday plans, aspects relative to insurance, loans, aid for education and other benefits.**

**In regard to salaries, each job is individually considered, and included in one of the four main sections: administrative and accounting, general office, sales and plant personnel. A brief description of functions is given for each job.**

**Write:** American Chamber of Commerce of Mexico, Lucerna 78, Mexico 6, D.F.

## Spain modifies its export credit insurance program

The Government of Spain recently enacted a Decree-Law temporarily modifying export insurance regulations. Under the new law an organization known as the Consortium of Insurance Compensation has been established to assume coverage for commercial risks in foreign trade, including the risk for non-payment on extended or installment payments on credits granted by financing institutions.

Although the Consortium is an autonomous agency, the Decree-Law provides for the Spanish Ministry of Finance to serve in an advisory capacity and to make credits available to the organization.

With the issuance of the new Decree-Law establishing the Consortium on a temporary basis, the government also submitted draft legislation for the Compania de Seguros de Credito a la Exportacion S.A. to operate on a permanent basis. The proposed firm is expected to assume the responsibility for the coverage of commercial risks in foreign trade and to obtain the exclusive rights to issue insurance for political and extraordinary risks.

Credit insurance to cover commercial risks on export credits was formerly available through the firm Compania Espanola de Seguros de Credito y Caucion, S.A. which, henceforth, will handle only domestic insurance and credits.



XUM

# Dynamics test equipment market in Germany is target of U.S. show

## Market healthy for equipment testing strain, vibration, acoustics, shock; 300 science institutes active in materials testing

An increase in research and development activity combined with more exacting specifications imposed by industrial customers have greatly strengthened the German market for dynamics test equipment, with sales in some sections expected to double in 1971.

The U.S. Department of Commerce will help American companies take advantage of this opportunity to increase their export sales by sponsoring an exhibition of dynamics test equipment in the U.S. Trade Center in Frankfurt, Dec. 7-11.

Market studies conducted for the Department's Bureau of International Commerce show that research and development programs conducted by private industry in Germany during 1968 amounted to $1.5 billion, up 38% over 1965 expenditures. In addition, the studies show that almost 300 German scientific institutes are involved in materials testing.

Commerce market research also pointed to a growth of dynamics testing in Germany's industrial quality control systems as a result of more exacting product specifications. A definite trend by industry to consider such testing as part of production also is indicated.

According to the research, quality mechanical test equipment is manufactured in Germany but American companies dominate the market for advanced electronic dynamics test equipment.

West Germany imported more than $8 million worth of dynamics test equipment from the United States in 1968, the study reveals, of which $7 million was electronic. This latter figure represents an increase of almost 19% over $5 million worth of U.S. electronic dynamics test equipment sold to Germany in 1967.

The report listed the following industries as particularly interested in dynamics testing: automotive, avionics, agricultural machinery, machine tools, electric and electronics, plastics, power transmission machinery, pumps, turbines and compressors.

The study indicated the following dynamic test equipment is presently in great demand in Germany:

Strain test equipment—precision strain gages, including those for extreme temperatures, temperature sensor gages, charge/voltage amplifiers, differential pre-amplifiers, multi-channel scanners, automatic digital measuring systems.

Force measuring equipment — force strain gage cells, Piezo-electric transducers, Piezo-resistive transducers, inductive transducers.

Vibration test equipment—electro dynamic vibrators, power amplifiers, function generators, linear/log sweep oscillators, random noise generators, servo programmers, curve followers, digital programmers, automatic spectral density analyzers, narrow band analyzers, frequency-tuned bandpass filters.

Acoustic test equipment—sound level indicators, spectrum analyzers.

Shock testing machines—vertical, free fall, horizontal, pneumatic and hydropneumatic impulse, impact testing, shock programmers.

Data Analysis systems—instrumentation recorders, data reduction systems, digital and analog plotters, scientific computers, highspeed tape devices.

Exhibitions of materials test equipment in U.S. Trade Centers have achieved considerable success. A materials testing and quality control equipment exhibit in Milan in March 1969 brought 23 U.S. exhibitors $2 million in sales within a year. Thirty exhibitors at the U.S. Trade Center in London in November 1969 reported $72,000 in immediate sales and estimated first year sales of $2.5 million.

U.S. firms interested in participating in the Frankfurt exhibition may obtain further information on participation in the December event and an Exhibitors Export Market Guide, IMIS 70-26, from the U.S. Department of Commerce, BIC-938, Washington, D.C. 20230 (202-967-4073) or from any of the Commerce Department's 42 Field Offices.

## London to host 1971 security conference, show

An international security conference will be staged in London tentatively opening Oct. 4, 1971. The conference and accompanying exhibition invite interested American manufacturers and suppliers of security equipment to participate.

The security events are sponsored by the Security World Publishing Co., Inc., 2639 S. La Cienege, Los Angeles, Calif. 90034.

**EXHIBITIONS AT THE U.S. TRADE CENTER IN FRANKFURT attract highly qualified audiences of buyers and prospective representatives. American exhibitors in the dynamics test equipment show will mount displays Dec. 7-11. Below is a scene from a 1969 display during an exhibition of technical equipment.**

# Paris medical show has 43 firms; expects $5.6 million in sales

## Center's equipment display ends with 69 candidates negotiating

Thirty-six American companies representing 43 advanced medical equipment manufacturers ended an exhibition at the U.S. Trade Center in Paris with more than $5.6 million in first year orders projected and 69 agency and distributorship negotiations in progress.

During the May 11-15 show, 16 firms were seeking representatives abroad and five were contracted before its end. The show, which attracted 667 qualified buyers, also closed with $65,447 in book orders.

With $1.5 million in estimated first year sales, Intermed Corp. of Dallas was the exhibition's sales leader. Intermed, entering exporting for the first time, displayed cardiac output equipment, signed one agent and has a dozen other candidates for representatives under review.

Writing the highest floor orders of the show was Spectrum X-Ray Corp., Westville, N.J., with $26,000. In its first appearance in the French market, the company displayed special radiological equipment and is anticipating $450,000 in 12-month sales.

Ten exhibitors in the medical equipment show are estimating sales from contacts made at the exhibition to reach the $100,000 mark in 12 months.

**TAKE A GOOD LOOK GENTLEMEN, because this automatic brain midline computer is about to be sold off the floor. Diagnostic Electronics Pres. James B. Williams, shown demonstrating the machine, not only sold it on the spot but expects $30,000 more in sales during the coming year as a result of the show.**

Other U.S. firms in the show were: Air-Shields International, Hatboro, Pa.; American Instrument Co., Inc., Silver Spring, Md.; American Sterilizer Co., Erie, Pa.; Anchor Products Co., Addison, Ill.; Beckman Instruments, Inc., Fullerton, Calif.; Cobe Laboratories, Inc., Denver; Diagnostic Electronics Corp., Lexington, Mass.; Diapulse Corp. of America, New Hyde Park, N.Y.; DWS, Inc., Portland, Ore.; Dynapower System Corp., Santa Monica, Calif.; Electronics for Life Sciences, Inc., Rockville, Md.; Electro-Nucleonics, Inc., Fairfield, N.J.

Electro/Systems, Inc., Richmond, Calif.; Fibre-Opticas Industries, Inc., Bedford, Mass.; Gaymar Industries Inc., Buffalo, N.Y.; Gilson Medical Electronics, Inc., Middletown, Wis.; Heller Laboratories, Santa Rosa, Calif.; Henry L. Michael & Co., Inc., New York; Laser Systems & Electronics, Inc., Tullahoma, Tenn.; Mettler Electronic Corp., Pasadena, Calif.; Ohio Medical Products, Division of Air Reduction Co., Inc., Madison, Wis.; O'Neill International Sales Corp., New York; Packard Instrument Co., Inc., Downers Grove, Ill.; Parke, Davis & Co., Detroit.

Picker International Corp., White Plains, N.Y.; Sarns, Inc., Ann Arbor, Mich.; Sherwood Medical Industries, Inc., St. Louis; Simmons Co., New York; Smith Kline Instruments, Inc., Palo Alto, Calif.; Sorenson Research Co., Salt Lake City; Technical Instruments, Inc., North Haven, Conn.; Thermonetics Corp., San Diego, Calif.; Travenols Laboratories, Inc., Morton Grove, Ill.; Valleylab, Inc., Boulder, Colo.; Wolf X-Ray Corp., Jamaica, N.Y.; Field Emission Corp., McMinnville, Ore.; Medtronics, Inc., Minneapolis.

**THE PICTURE OF HEALTH, Dr. Thomas F. Hewes, director of the intensive care unit at the American Hospital in Paris, hopped right onto the O'Neill International Sales Corp.'s ergometer. At right, the Specrum X-Ray Corp.'s radiological special procedures table is demonstrated. It also was sold off the floor.**

XUM

NIGHT VISION VIEWERS by Varo, Inc., are on display above, as two British visitors discuss the Argon Ion Laser which was shown by Coherent Radiation, Inc., below, in the May U.S. Trade Center exhibition.

OPTICAL COMPONENTS by Continental Optical Corp. are explained by the firm's President Manfred W. Grindel to a visitor from Rank Precision Industries of the U.K. The electro-optic and laser show attracted 1,330.

# Scientific exhibition in U.K. estimates $3.5 million in sales

Advanced American electro-optic and laser equipment was shown at the U.S. Trade Center in London by 25 U.S. firms in a display aimed at introducing new U.S. achievements in a growing technology.

More than 1,330 visitors were attracted to the May 11-15 exhibition which closed with $3.5 million in estimated 12-month sales and $347,442 in confirmed contracts.

Five of the nine firms seeking agency candidates appointed nine representatives in the United Kingdom and the other four companies have discussions under way with 20 possible overseas agents and distributors.

Fifteen of the 25 participants were being introduced to the British market for the first time, including Systomation, Inc., Schenectady, N.Y., with $300,000 in floor orders and an expected $1.2 million projected in sales for the coming year, and $2 million estimated within 24 months.

Other new exhibitors in the British market reporting negotiations for orders are DBA Systems, Inc., Melbourne, Fla., with estimated 12-month sales of $125,000, followed by Sylvania Electronic Systems, Mountain View, Calif., with $100,000.

Another new firm to the British market, United Detector Technology of Santa Monica, Calif., is predicting 12-month orders of $100,000 and has signed agents in Britain, France and Italy.

Sales estimates indicated by companies already established in the U.K. were made by the General Electric Co. of Cleveland with $500,000 and by Spectra-Physics, Inc., Mountain View, with $350,000.

Other exhibitors in the electro-optic and laser equipment display were: American Cystoscope Makers, Inc., Bronx, N.Y.; Barnes Engineering Co., Stamford, Conn.; Cintra, Inc., Mountain View; Coherent Radiation, Palo Alto, Calif.; Continental Optical Corp., Farmingdale, N.Y.; EG & G, Inc., Boston; Hadron, Inc., Westbury, N.Y.; Harshaw Chemical Co., Cleveland.

Illumination Industries, Inc., Sunnyvale, Calif.; Isomet Corp., Palisades Park, N.J.; Karl Lambrecht Corp., Chicago; Lansing Research Corp., Ithaca, N.Y.; Laser Diode Laboratories, Inc., Metuchen, N.J.; Laser Optics, Inc., Danbury, Conn.; Tech/Ops Instruments, Burlington, Mass.; Varo, Inc., Garland, Tex.; Weiser/Robodyne Corp., Silver Springs, Md.; Yosemite Laboratory, Berkeley, Calif.

# U.S. air conditioning, refrigeration exporters will return to Germany for autumn exhibition

**Construction projects utilizing more air conditioning equipment, 36% of industrial and commercial refrigeration needs are imported**

American manufacturers will return to the scene of two major export sales promotion events when they join the U.S. Department of Commerce in an exhibition of air conditioning and refrigeration equipment in the U.S. Trade Center in Frankfurt, Germany, Oct. 12-16.

Two years ago Commerce sponsored an exhibition of climate control equipment in the same site. The 36 participating U.S. manufacturers counted sales of more than $2 million.

Five years ago, 25 U.S. companies exhibiting air conditioning equipment in another Commerce show in the Frankfurt Trade Center recorded over $1 million in first-year sales.

## Continuing expansion

The continued economic expansion in the Federal Republic of Germany has added impetus to the demand for air conditioning equipment, according to market research conducted for the Department's Bureau of International Commerce.

The volume of new construction in Germany is leading to increased sales of air conditioning equipment for supermarkets, office buildings, and department store units, the study reports. Expanding the market is the renovation of smaller commerical units with demand for units of five ton capacity and under.

The study also states a change in architectural design of private homes is speeding the acceptance of air conditioning. In the past, the tendency has been to build with stone, pumice block, and cement. Present designs call for thin wall construction, which eases installation work, and large window areas.

The research also noted that rising per capita income in Germany has stimulated sales of prepared frozen foods and refrigerated dairy products, adding to a steady growth in demand for commercial refrigeration systems. The research reports 850,000 such systems in Germany in 1963; 1.2 million in 1966, and 1.7 million in 1970.

Approximately 36% of Germany's industrial and commercial refrigeration equipment is imported, and a major portion of such product lines as refrigeration mechanisms, compressors, other components and accessories originate in the United States.

The following types of U.S. equipment have good to excellent potential:

Air Conditioning—window and wall air conditioners, automotive air conditioners, packaged air conditioning units, split system air conditioners, heat pumps, combination heating and cooling units, absorption type water chillers, and instrumentation.

Refrigeration—refrigerating machines, compressors, quick-freezing systems, ice cream counter freezing equipment, truck cooling units, defrosting systems.

Components—compressors, coils, condensers, pumps, valves and fittings, evaporators for refrigerating and deep freezing, refrigerant filters, pressure switches, thermostats.

Accessories—test and measuring instruments, sealing components, insulating materials, refrigerating system cleaners.

Commerce market development experts will contact buyers, distributors and agents months in advance of the Frankfurt show as part of a campaign to assure maximum attendance.

American manufacturers interested in the Frankfurt show may obtain further information and an Exhibitors Export Market Guide, IMIS 70-28, from the U.S. Department of Commerce, BIC-938, Washington, D.C. 20230 (202 967-3088) or any of the Commerce Department's Field Offices.

## Workshop/colloquium will coincide with display of analytical instrumentation

A workshop/colloquium is being organized to accompany the analytical instrumentation exhibition scheduled at the U.S. Trade Center in Paris Sept. 22-26.

The three-day event will open Sept. 23 and will feature about five papers daily by American and French experts on such topics as environmental pollution, oceanology, nucleonics, and aerospace, and the latest uses of advanced instrumentation.

James B. Davis of the National Institute of Health will act as workshop/colloquium chairman. Davis was the industry specialist at the 1967 Commerce-sponsored exhibition in ACHEMA, the 15th Chemical Engineering Exhibition and Congress in Frankfurt, and has extensive experience in developing technical meetings.

**AIR CONDITIONING AND REFRIGERATION EQUIPMENT** will be shown in the German market for the third time in five years by American manufacturers and suppliers. The third show will be staged at the U.S. Trade Center in Frankfurt in October. Below is a scene from the 1968 climate control exhibition.

# Iran balances its growth

## Restraints are moderating pace, but economy continues its pattern of strong expansion

The Iranian economy at last appears to be cooling off in response to fiscal and monetary restraints imposed by the Government. After a year in which the gross national product rose by an estimated 10.3% in constant money terms, notes the semi-annual Economic Trends Report from the U.S. Embassy in Tehran, estimated growth over the past twelve months declined to about 8.8%. Reflecting as it does the conscious policies of a Government determined to bring demand into better balance with existing resources, this trend is expected to continue, with a growth rate of perhaps 8.0% at an annual rate over the next six months. Such a rate in constant terms remains exceptionally good by world standards.

The fact that Iran is experiencing balance of payment difficulties and is faced with a rising external debt burden has not affected the readiness of such institutions as the Export-Import Bank and the World Bank to extend an ever growing volume of credit to Iran. In fact, President MacNamara of the IBRD offered a line of credit of $400 million when visiting Iran in December and promptly sent out a number of teams of experts to assess the areas in which credits could best be utilized.

Such financing not only meets the policy objectives of the Plan Organization of obtaining as long-term and as low interest loans as possible, but it also opens up substantial export potentialities. For example, credits under study for projects in the fields of electric power, transportation and agriculture offer opportunities for exports of generation and transmission equipment, road construction machinery and farm machinery.

OFFICIALS OF IRAN'S NATIONAL OIL CO. inspect an Apollo spacecraft at NASA's Houston Spacecenter. The officials toured offshore oil facilities as guests of Continental Oil Co. and met with petroleum industry and U.S. Government specialists.

### World Bank activity

For relending to private enterprise in Iran, the World Bank has extended a number of loans, in ever greater amounts and increasing frequency, to the Industrial and Mining Development Bank of Iran. The Export-Import Bank has several projects under study and has only recently announced the conclusion of relending agreements with the largest commercial bank in Iran, Bank Melli, and the two banks with American participation, the Foreign Trade Bank of Iran and the Iranians Bank. The World Bank and Export-Import Bank are by no means the only institutions extending credits to Iran, but are mentioned as of particular interest to American businessmen, since most European credits are tied to financing the sales of the countries concerned.

The plans of the Oil Consortium alone to build a new two-berth sea island jetty capable of handling 500,000 ton tankers, to add two more 1 million barrel tanks to its tank farm on Kharg Island, to lay more and larger pipe to that crude terminal and to take other steps to raise its export capacity to 5 million barrels a day illustrate the tremendous scope for sales of goods and services to this industry.

Investment opportunities in Iran are illustrated by a distinguished group of American businessmen and bankers who held a seminar in May to discuss with Iranian officials areas offering the greatest potential for American firms. Led by James A. Linen, Chairman of the Board of Time/Life, the group included representatives of leading banks, mining companies, hotel corporations, electric industries, agribusinesses, aviation, petrochemicals, plumbing, machinery and several miscellaneous industries.

### Guidelines for investment

Of particular interest to foreign investors was the policy pronouncement of the Minister of Industry last March, wherein he declared that the private sector would play a more basic role in future industrial investment and the Government would devote itself more to investment in infrastructure. At least until the end of the Fourth Plan, the Government will refrain from establishing industrial units with 100% ownership; in new joint ventures between public and private interests, the majority of shares will be private; and in existing joint enterprises private investors will be given priority in any future expansion. Furthermore, existing government-owned industries will not be allowed to expand outside their basic fields of production; the auxiliary and supplementary industries will be private.

The Minister specifically mentioned as examples the auxiliary industries that are expected to grow around the steel mill, the petrochemical plants and the machine tool industry. Presumably the same principle will also apply to the aluminum industry, once the smelter goes into production. Directly facing the question of high cost industry, Minister Ansari declared that the products of new factories must be able to compete against similar products under equal conditions and existing industries must improve their competitive position.

As in the past, stress was placed on the priority of investments that would either import new technology, have a high-intensity labor content or have profound social value. Primacy will be accorded industries producing raw, intermediate and capital goods, rather than light consumer goods, since 90% of Iran's imports are now made up of non-consumer articles. The days of mere assembly, long frowned upon, will

become more and more an obsolescent stage of development, for new industries must have a high component of local resources.

Above all, new industries must export part of their production and be located in localities suitable for export. For the quite distinct reason of limiting the rate of expansion of the city of Tehran, the policy of establishing new industries at least 120 kilometers from the capital city will be maintained.

In the combined field of agri-industry, two American interests have already initiated ambitious projects in the Dez area of Khuzistan and several others are pursuing active investigations with an eye to following suit. Producing for both the domestic market and export, these large endeavors offer great promise not only in themselves but also in the growth of modern marketing organizations, a field in which there is tremendous scope for development. Today only a few state stores offer any relief from the multiplicity of middlemen, antiquated handling techniques and high wastage that is the norm for the wholesale and retail trade in food products, but which has offered little attractiveness to new investors in the absence of large scale production.

## Mining opportunities

The field offering the greatest potentialities and also demanding the largest investments is mining. Discounting frequent confusion between hopes and known realities, there is no question that Iran's resources in copper are rich. Many firms are showing an interest in participating in copper exploration and mining, awaiting only more specific knowledge of the terms of such participations under the new mining bill to be presented in the near future to Parliament and the public. Iran is also fortunate in having a number of other valuable mineral resources, although the only ones now exported in significant quantities are chromite, lead and zinc.

In this favorable climate for both American exports and investment, American businessmen should expect to find very keen competition. Unless they are quick to exploit opportunities, they can expect to find themselves outdistanced by European and Japanese firms that are eager to capture more of the Iranian market. In 1969, for example, although the United States retained its position in that market of second place to West Germany, commercial imports declined by 17.6% from $238 million to $196 million. In contrast, imports from Japan rose by 24.6% and those from the United Kingdom by 18%.

Similarly, outside of agribusinesses, there have been few new American investments in the past two years despite opportunities that have been exploited with increasing success by British, German and Japanese firms. Since in most product fields there is room for only two or three competitive firms, lost opportunities can be lost for good. With the investment climate deteriorating in many countries in the Middle East, such losses are particularly unfortunate. No country in the area can compete with Iran in offering the combination of political stability, rapid economic development, a progressive social climate, positive encouragement of investment and an ideal location for an export-oriented industry.

## No slowdown in oil

The slowdown in growth is not due to any fall in the rate at which Iran's oil income has been growing. On the contrary, the earned income of the Iranian Government in 1969 was an estimated 20.8% above the figure for 1968. Nor is the growth rate of this major source of income expected to fall by much, perhaps from an increase by a fifth in 1969 to an increase by a sixth during 1970. Rather, the slowdown has occurred primarily in agriculture and secondly in non-oil industries, particularly construction. Comparatively unfavorable weather reduced the production of such major staples as wheat and barley, as well as of many fruits and nuts which constitute traditional exports of Iran. Thus far it appears that crops will be better this year and thus resume the upward trend of agricultural growth, but it is rather early to make any firm predictions.

More modest rates of increase in the value of output of the non-oil industries reflect the past decline in the rate of growth of investment from about 15.4% in the Iranian year 1968-69 (Iranian year begins Mar. 21) to an estimated 9.3% in the year 1969-70. During the next six months, investment will probably grow at the rate of only about 7% and it will not be until later that some of Iran's largest investment projects will bear fruit. In the absence of statistics, it is possible only to adduce from visual evidence the slowdown in construction activity which has resulted from general tightening of credit. It is clear, however, that the economy is experiencing a mild slackening of its previous rate of growth.

Such moderation of pace is basically a healthy trend, since the previous growth rate was a bit too hectic for the comfort of those who must safeguard the nation's resources. The country's net gold and foreign exchange reserves, as shown in the Central Bank Bulletin, have declined from an already low figure of $146 million at the beginning of 1969 to about $61 million at the end of November, the last date for which statistics are available.

Although a higher figure for those reserves is expected to be shown for the end of the Iranian last year, it is clear that strenuous efforts are in order to raise the figure back up to at least the figure of two years ago ($283 million on Mar. 20, 1968). It is just such an effort that is having some impact now. As a result of the

**SHANAZ DAM NEAR HAMADAN** provides electric power for Iran's industries and irrigation water for crops.

XUM

U.S. INVESTORS HAVE INITIATED ambitious agri-industry projects in the Dez area of Khuzistan. Above, a U.S. made combine at work in a part of Khuzistan irrigated through the Reza Shah Pahlavi Dam.

credit restrictions imposed in November 1968 and August 1969 and of the substantial increases in taxes levied in March of 1969 on imports of many less essential commodities, the value of imports in 1969 was no higher than in 1968, a significant contrast to the 21.9% rise in imports the year before.

Meanwhile, Iranian earnings from oil exports plus the value of its non-oil exports rose by an estimated 21.2% in 1969, well above the percentile increase of 1968 (14.4%). However, this improvement in the balance of normal trade has not been translated into an improvement in the balance of payments, largely because some significant items are excluded from the import statistics. For the first nine months of 1969, the value of normal imports is almost identical to that of the comparable period of a year before, but official figures on payments for imports were 17.4% above the amount for the 1968 period.

Far from an improvement taking place in the balance of payments, in fact, the deficit for the first nine months of 1969 was slightly above that for the whole year of 1968. Furthermore, it is clear from published breakdowns of private and public payments for imports that the Government, including the Plan Organization, is not exercising the degree of restraint that the private sector has been induced to exercise by the credit restrictions. With its access to far greater credits, the Government continued in 1969 to rely heavily on external financing, for its imports of goods and services, raising its estimated external debt to about $1,315 million, an increase of 38.4% above the estimated figure at the end of 1968. As a consequence, the country's external debt service ratio was raised from an estimated 9.4% to about 13.7%.

These trends will probably continue over the next six months, with very modest increases, if any, in private imports, continued expansion of payments for public imports, a healthy rise in export earnings and a less welcome expansion of external debt and of the difficulties attending the servicing of such debt. The twin factors of heavy commitments for major developmental projects plus security and the paucity of reserves leads to the conclusion that external debt will continue to mount for several years to come.

In turn, the desire to keep such expansion of external debt within manageable bounds while still maintaining an ambitious development program and enhancing Iran's security posture has placed a high premium on obtaining as high earnings as possible from Iran's exports. One result has been the prolonged negotiations each year with the Oil Consortium in efforts to reach agreement on optimum levels of oil income for the Government. Such efforts were in part responsible for the increase of income from the Consortium and the off-shore companies by an estimated 20.8% in 1969.

Another element in this drive for higher earnings from exports is the priority placed more recently by the new Minister of Economy on the promotion of other exports. He has declared the 1970's as the "decade of exports" and promulgated a series of pragmatic measures designed to encourage industrialists to enter the export market and expand their efforts in that market. The effectiveness of the measures, many of which take the form of tax concessions, cannot be measured for some time to come, but their combined effect should prove significant.

As yet, however, there have been no direct steps taken to overcome the biggest obstacle to the expansion of industrial exports, the high cost of production of many industries. The high protection afforded to these industries remained largely unaffected by the trade regulations for the Iranian year 1970-71. On the other hand, no new protection was offered which may indicate that the high water mark of protection has been reached. The primary markets for many such manufactured commodities continues to be the USSR and Eastern Europe under the clearing agreements with those countries. In 1969 this market took 37.3% of all of Iran's non-oil exports, with an increase to the USSR alone of 59%.

It should also be noted, however, that exports of non-oil products to several other markets also rose, to the United States by a healthy 29% (from about $20 million to about $26 million). Furthermore, all three petrochemical plants in which American firms are joint partners with the National Iranian Petrochemical Company are now exporting. As their exports grow, their contribution to Iran's overall earnings will be of increasing importance.

On the domestic side of the economy, the growth of financial resources continues at a rapid pace. Private savings rose by 30% in 1969, despite an increase of the same proportion in the Government's receipts from direct taxation. Credit to the private sector, on the other hand, rose only 12.8%. It was the public sector that continued to borrow heavily, raising public debt by 48.8% in one year and thus pulling up the total of domestic credit by 19.5%. The contrast is clear, therefore, between a private sector saving more than it borrows and thus helping to finance a public sector borrowing more than it saves.

A substantial reduction took place in the rate of increase of resort by the Government to Central Bank financing. Such money-creating net advances rose by only $65 million or 23.5% in 1969 in contrast to the $121 million, 78.6% rise of 1968. In this way the Government and Central Bank made a significant contribution to stemming the rise in the money supply, which rose only 1.7% through November 1969 in contrast to the 14.4% increase of the year before. Unfortunately, the effects on the price indices have yet to become visible. The cost of living index and wholesale price index at the end of 1969 were both 4.3% above the figures of twelve months before and have continued to rise. However, the effects of the slow-down in growth of the money supply should become apparent in the near future.

LINEMEN ARE TRAINED in Shiraz, Iran. Ezra W. Lynch of Harza instructs electric utility recruits in use of pole climbing hardware.

POLE LINE INSTRUCTION is part of the training phase of the utility project. This class is conducted in the field for Iranian personnel.

# U.S. engineering firm aids Iranian power companies

With the help of an American company, Iran is achieving progress in organization of a national power supply system which will operate through 10 regional electric power firms.

The Harza Engineering Co. has been working with Iran's Ministry of Water and Power since 1966 in establishment of the national utility system. Since that time Harza has been assisting in the setting up of a central organization in Iran to give each regional company any needed assistance in management, technical, operational, or accounting procedures. Under the program, sponsored by the U.S. Agency for International Development, some 20 Harza consultants are now serving in Iran. The number is due to be increased, and the work is expected to last through the early 1970's.

Harza has recently expanded its involvement by sponsoring management training programs in the United States for executives of the Ministry and for managing and technical directors of the 10 regional power companies. The executives travel in groups of four or five in training tours of the United States; each tour is of three months duration. Several tours have already taken place, starting in May 1969, and Harza expects additional groups to participate in similar management programs in the United States in coming years.

A MODERN BILLING SYSTEM, of which these girls are a part, is one of the goals of the Electric Utility Management Project in Iran.

WORKING WITH IRANIANS in design of transmission lines to link ten regional power firms is Harza transmission engineer Eugene S. Zobel.

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IRAN'S PLAN ORGANIZATION will allocate funds for development of basic economic facilities during the next five-year plan. Above, The Chalus Bridge, built under the Second Development Plan.

# Steady flow of oil revenues into development projects offers good chances for U.S. sales in Iran

## Income from that quarter passed one billion dollar mark last year; trade and investment opportunities are expanding with economy

By EDWARD H. SPRINGER
*Commercial Officer,*
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In 1969 Iran passed a per capita income of $300, while the gross national product was growing by 9%. The nation received over one billion dollars in oil revenue—another first—and, as usual, devoted most of it to development projects which will, in coming years, aid in the continued growth of this rapidly progressing country.

Iranian planners have committed their nation to a carefully charted development program in which numerous areas of industry and agriculture are being encouraged simultaneously and care is being taken to diversify the economy.

These developments are positive indicators that Iran's economy will maintain its vigor and basic strength for the foreseeable future and that U.S. businessmen can find attractive sales and investment opportunities in this market.

Growing inflationary pressures during the past year have induced the Government to implement a number of fiscal and monetary restraints. Credit was tightened and high taxes imposed on less essential imports. These measures have been taken to cool off the economy and should stabilize Iran's growth rate.

The market in Iran is very competitive. A policy adopted some years ago encourages import substitution by local industry, especially in unsophisticated consumer goods and pharmaceuticals. Trade agreements with Eastern European countries, by means of clearing accounts, have also cut into some of the commodities traditionally supplied by the United States, Western Europe and Japan.

Nevertheless, Iran's strong growth pattern, its efforts to broaden and improve its industrial base and its rapidly rising standard of living all make the country an attractive market. Iran's consumers are increasingly aware of the value of paying more for products of real quality, but these consumers are also conscious that competing suppliers must offer satisfactory credit arrangements and above all reliable deliveries.

A good indicator of product lines that are expected to move best in the Iranian market is the choice of product categories for the U.S. Department of Commerce Industrial Machinery Exhibition which was held in Tehran from May 16 through 21. Emphasized at this fair were heavy construction equipment; refrigeration, air-conditioning and heating equipment; office modernization equipment; medical, hospital and laboratory equipment; electrical equipment, and food processing and packaging equipment. These categories, chosen after a careful analysis of the market, point to Iran's need to modernize and diversify the basic industry that has been established in the country.

During the next four years Iran will be paving about 2,500 miles of existing roadway, repaving a similar number of roads in need of repair, and constructing 7,000 miles of new roadways. Construction of housing and public buildings is expected to continue at a fast pace although rising labor costs will compel contractors to use more modern machinery to meet this cost rise. Asphalt laying machines and concrete mixers should receive good buyer response.

### Factory plans

Air cooling machines manufactured locally (usually with some American components) will continue to supply the major domestic market for most parts of the country. On the industrial side, local manufacturers in sectors such as textiles, chemicals and pharmaceuticals are relying more and more on large airconditioning units to increase the quality of their products and the efficiency of their plants. In the fast growing parts of the country along the Persian Gulf, the rising standard of living is creating a strong demand for airconditioning equipment. During the coming years large amounts of domestic and industrial heating equipment in urban areas will be converted from today's widely used kerosene to use of Iran's plentiful bottled gas and natural gas.

Many of the larger Iranian factories and wholesale outlets are changing their accounting, payroll and inventory operations from older methods to those using high speed computers. Smaller adding machines and calculators are also revolutionizing the business operations of the

country. Agents for American office machinery report a brisk market in office-sized copying machines, addressing machines and desk size calculators.

In the past few years there has been a remarkable change in the Government of Iran's attitude toward medical care for the country's growing population. Earlier, the Government had considered health care a consumer expenditure. Now the Government more than ever considers the provision of adequate care to the people as a capital investment. By 1973 an additional 14,500 hospital beds will be provided, bringing the country's total to 45,500. The number of beds per 10,000 population will be increased from 11.7 to 15. The many Iranian doctors who have received at least a portion of their training in the United States are aware of the advantages of American equipment and delivery of this equipment, especially of the more sophisticated kinds, should be increasing during the coming few years.

## Electrical opportunities

Equipment for large generating and transmission systems in Iran is handled by means of bids issued to major world manufacturers. Iran is planning to increase its electrical production by an average of 24% per year during the next few years. Direct sale is more the rule in selling smaller generators, branch distribution systems, electrical tools, and maintenance equipment. Exporters of this equipment should expect heavy competition from Western European and Japanese manufacturers.

Processed food, canned and frozen, is just beginning to be an active industry in Iran. Again here, the basis of the industry is the rising standard of living and the improved distribution system of fresh food within the country. The better processors are now selling out their complete stocks as fast as they can be manufactured. Because a large percentage of fresh foods is wasted enroute to the consumer, more and more pressure is being put on the growers to divert larger portions of foodstuffs to food processors. The country will be importing increased amounts of canning and food processing machinery. Frozen foods are still a novelty but their use will grow with the increase in homes furnished with locally made refrigerators. An increase in the volume of canned food should bring down costs and prices and thus make Iranian processed food more exportable than heretofore.

Similarly, high costs and the relatively low quality of Iranian produced textiles have kept Iranian exports low. In its current search for ways to improve Iranian textiles, in accordance with consumer demand, the Government has become conscious of the need to upgrade the quality of production. Sales of new equipment to replace machinery in some of the older mills can be expected although manufacturers will have to provide installation and training of personnel during the earlier stages of the equipment's use.

Iran publishes new tariff and import regulations each Mar. 21. Last year's regulations drastically increased taxes on imports of many types of consumer goods, none more than on automobiles. This year tariffs and taxes were virtually unchanged. In addition to providing revenue for the treasury, Iranian tariffs are aimed at protection of new industry within the country and maintenance of sufficient foreign exchange to carry out the government's development objectives. In some sectors, Iranian industry is overprotected and the Government is considering a relaxation of some of the controls so that local manufacturers will be forced to become more competitive with foreign manufacturers. The long range result of this policy, it is hoped, will be to aid Iranian exports.

For many years Iran has been receptive to foreign investment, particularly in the area of joint ventures. The amount of equity participation by foreigners has ordinarily been administratively determined by the Ministry of Economy. Higher equity participation has been given to foreign investors coming in with a newer or more sophisticated industry than to investors duplicating industry already established within the country. Because the Government is now increasing its concentration on Iran's export potential, an investor's willingness and ability to export part of his production will be an important factor in the Government's granting greater equity shares to outside investors.

U.S. Department of Commerce figures released during February indicate that U.S. exports to Iran during 1969 amounted to $351.6 million. This included special category items. Export-Import Bank financed locomotive and aircraft sales, as well as rising living standards generally, should increase U.S. trade with Iran during 1970. The Iranian Government's Plan Organization, which controls development funds, will be allocating resources for improved infrastructure projects—water resources, electricity, natural gas, communications, transportation, ports—during the coming five years. A large agribusiness project in the province of Khuzistan at the head of the Persian Gulf is just coming to fruition. Some 74,130 acres of irrigable land are being leased to eligible agribusiness investment groups (two American groups are already established), and large-scale farming in this new area will require modernized agricultural techniques and equipment.

In his presentation of the 1970-71 budget to the Iranian Parliament, Prime Minister Amir Abbas Hoveyda stressed the economic goals of the Government: (1) Continued economic development; (2) improved social welfare for the people of Iran; and (3) an effort to strengthen the nation's defenses in order to maintain national stability. This indicates that Iran plans to continue to follow the path that has been so promising in the recent past.

**STRONG ROADBUILDING PROGRAM** in Iran includes paving about 2,500 miles of existing roadway and building 7,000 miles of new roadways. Below, a truck using the mountainous Rudehan-Babol road.

XUM

# Congo has new strength after three straight budget surpluses; investors are gaining confidence

## U.S. businessmen are showing increased interest this year; local enterprises are proceeding with long-delayed projects

By SHIRL F. McARTHUR

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The Congo continues to be increasingly attractive both to traders and investors. The country has enjoyed three successive years of balance of payments surpluses, resulting in foreign exchange reserves sufficient to permit the Government to follow more liberal trade and credit policies. During 1969, U.S. exports to the Congo declined slightly while over-all Congolese imports rose by 10%, from $310 million to $340 million.

It is hoped, however, that heightened interest shown by U.S. investors and traders during the first quarter of 1970 portends a reversal of this downward trend in the U.S. share of the market.

During the last six to nine months, the Congo has experienced a striking increase in investor confidence and interest. As of April 1970, the Investments Commission, created by the 1969 Investment Code, had approved nearly 20 proposed investments representing such diverse projects as a factory for the production of papaya extract, the enlargement of a bakery, and a match factory. There are more than twice that number of dossiers pending before the Commission, including two projects which are at least 50% American financed.

Perhaps the best indication of increased business confidence is the fact that a significant number of local enterprises now have decided to proceed with long-delayed investment projects, using current and past profits rather than repatriating funds to Europe or Asia as was their previous practice.

There has been a steady stream of potential U.S. investors visiting the Congo since the beginning of the year. Primary interest appears to be in the fields of mining, banking, rubber processing, automotive assembly, hotels and construction. A particularly promising area so far untapped by American investors, although the French and the Belgians have begun to show an interest, is tourism.

Trade opportunities are expanding geometrically. So, however, is the pressure of competition. Western European and Japanese firms have been quicker than most U.S. firms in responding to the opportunities offered by the expanding Congolese market. European suppliers have pressed their advantages of well-established trade relationships and lower transportation costs. They are often able to offer more attractive credit and delivery terms and display aggressive on-the-scene salesmanship.

American construction equipment, for example, has an excellent reputation and can benefit from a rapidly expanding market here. This includes all phases of construction, including homes, factories, roads, bridges and airports.

In both the consumer and industrial products fields, there is room for much more sales of U.S. air conditioning and refrigeration equipment, as well as medium and heavy appliances. The argument that lower-cost European appliances have nearly pre-empted the market is not convincing. There is such a general lack of adequate after-sales services that it would seem apparent that the firm which establishes a really good sales and service organization will have a far more effective lever than price alone.

### U.S. can do better

**Nevertheless, the United States should be able to regain its former 20%-25% share of the Congolese market. (On the basis of provisional statistics, the U.S. share in 1969 probably was in the neighborhood of 15%.) There are many areas in which American suppliers should be able to take advantage of the high prestige and reputation which U.S. products enjoy in the Congo.**

The above observation applies equally to such fields as automotive products, electronics and light machinery. In each of these fields success depends largely on the performance of, and service given by, local representatives. Of course, this in turn is also linked to the support given by the U.S. supplier.

The opinion is often expressed that the reason Japanese products have done so well here in the past three years is that when the Japanese first arrived on the scene, they found that a few large, established firms already represented a complete range of products. This forced the newcomers to find, and in some cases to help to establish, new representatives. These newly established representatives have tended to be more aggressive and more modern in both philosophy and technique than their established competitors, and they have succeeded in many cases in entering what were thought to be unbreachable oligopolistic markets.

American firms, including some of those already represented in the Congo, might do well to reconsider which approach might serve them best in this market. If the market in a particular item is sufficient, by far the best approach would be the establishment of a direct outlet. This approach is especially well received in the Congo, where growing resentment against foreign "middle-men" has been translated into official policy insisting on direct trading relationships.

For a smaller market, a related approach might be the establishment of a joint outlet, grouping two, three or four related but complementary firms, playing a role somewhat akin to that of a general trading company. This approach currently is being considered by certain U.S. pharmaceutical firms. Such an approach can also be placed within the framework of a Joint Export Association.

To be effective, however, these and other new approaches to selling in the Congolese market must be accompanied by more liberal credit and more rapid delivery policies.

The increased interest shown in the Congo by American investors is encouraging. It is axiomatic that increased investment leads to increased trade. But to increase their share of the market, U.S. suppliers must show interest and attention to business correspondence, more innovation and aggressiveness than they have in the past, and should re-examine their credit and delivery terms. U.S. firms should be alert for opportunities to capitalize on, rather than to fall victim to, the frequently out-dated business practices characteristic of many older European firms in the Congo.

# Ivory Coast closed out decade at high level of economic activity; continued expansion is forecast

## Record trade surplus and budget, and continuation of construction and foreign investment booms launch nation into new decade

Yet another record surplus in foreign trade carried the Ivorian economic boom into the seventies. As late as December, even Ivorian official forecasts fell well short of the final figure for the 1969 trade surplus—$115.7 million, as compared to the previous record of $98.1 million in 1968. Imports rose much less (only 12.2%) in value than had been expected after last year's CFA Franc devaluation.

The semi-annual Economic Trends Report from the U.S. Embassy in Abidjan states that the excellent performance in exports (up 13.2%) was mainly due to exceptionally large shipments of tropical woods to European buyers late in the year, to the point that in 1969 tropical woods edged out coffee as Ivory Coast's No. 1 cash export. But this has not been without some strain. The fall-off in wood buying after completion of 1969 contracts was so pronounced that some forestry firms have gone bankrupt. (The forestry industry is almost entirely in expatriate hands.)

End-year statistics confirm a slight narrowing of the U.S.-Ivorian trade gap in 1969. The U.S. trade deficit was $34.5 million, down slightly from $39.6 million in 1968. Overall trade with the United States did increase, with Ivorian imports rising sharply by 52%. However, the increase in imports was probably due in large part to short-term buying of Export-Import Bank financed heavy equipment for the Bandama project and to purchasing of such equipment for other projects. At the same time, Ivorian exports to the United States rose by 6.5%.

Hence, the relative improvement in our export performance may not be lasting. Local U.S. tractor dealers are already bemoaning a very marked decline in sales to the trouble-beset forestry industry, which has provided the largest clientele. While the effect of preferential tariff favoring EEC-origin products is variable depending on many factors, it is singled out as a major obstacle to expansion of Ivorian imports from the United States. Close Ivorian ties with France and other EEC countries have made it difficult thus far to secure further tariff relief for U.S. products. Competition from Japan and other third countries is also growing.

Union Carbide's dry-cell battery factory—the first 100% U.S.-controlled industrial investment in Ivory Coast—goes into production at the end of this year. The Ivorian Government—disappointed that overall American investment here is not larger—hopes that other U.S. firms will now follow Union Carbide's lead. A U.S. manufacturer of heavy equipment may soon take up the Government on its word. Reports are favorable from preliminary exploration of iron ore deposits in western Ivory Coast by the Cleveland-based firm of Pickands Mather and Co., which could lead to a $200 million investment in a few years. Offshore oil negotiations with Esso and European partners are now in the final phase. Early conclusion of current negotiation of a double taxation treaty and a treaty of amity and economic relations would certainly help the investment climate.

The American investor whose investment qualifies for "priority" status under the Ivorian Investment Code enjoys special tax benefits and other advantages. Subject to negotiation, which can be time consuming, "priority" status is readily obtainable in newly developed sectors where generally there is little or no competition from local production. The relatively small or marginal investment, by U.S. standards, can often be lost to one of the European conglomerates who can draw on local staff to process investment applications for which a U.S. company may be loath to incur heavy advance expenses through having to negotiate across the Atlantic Ocean. Representatives of many American companies, however, are coming to Abidjan to look over the scene themselves. Some are tempted to try joint ventures with the local European-controlled or African firms. One area that has been insufficiently explored, but was recently very profitable to one American firm, is that of licensing agreements with local manufacturers.

Several American banks—Bankers' Trust, First National City Bank, Morgan Guaranty, and Bank of America—are shareholders in the commercial banks in Abidjan. Chase International Investment Corp. and Lazard Freres New York are shareholders in BIDI (Ivorian Industrial Development Bank). Bank of America has a resident representative.

The decade of the seventies was also heralded in with an impressive display of

**INCREASED IMPORTS OF U.S. HEAVY EQUIPMENT** for development projects helped narrow the U.S. trade deficit with the Ivory Coast last year. Below, U.S.-made tractor at Bandama hydroelectric project.

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the range and diversity of Ivorian industry. "Expo-70," a week-long trade fair held in Abidjan in April, had over one hundred exhibitors from among local factories and business firms. It was an eye-opener and certainly confirmed Ivory Coast's claim to be today the most important center of industry in francophone tropical Africa.

Promotion of new industry, mainly by attraction of new private foreign investment (American in particular wanted!), has received strong support from the Government. Industrial growth, as measured by annual business turnover, has averaged 20% a year since 1960. Annual turnover then in industry was only about $47 million; in 1969 it was over $280 million. A developing industry such as this means new markets for American and other sellers of equipment, raw materials, semi-finished products, and industrial know-how. And success breeds success; new investment abounds.

In less than six months, 400 hectares of newly reclaimed land in the Vridi industrial area on the outskirts of Abidjan was snapped up for fifty new factories (several already completed and others now building); and the waiting list is already filled for an additional 247 acre area still being reclaimed from the lagoon. Expansion of Abidjan's already large port and warehousing facilities also is underway.

## Agricultural base for industry

Industrial growth also reflects the Ivorian Government's continuing preoccupation with agricultural diversification to lessen the country's dependence on the cash crops of coffee and cocoa. In 1969 nearly 50% of Ivorian industrial turnover resulted from the processing of local raw materials, mainly agricultural. Agricultural diversification still gets a proportionately large share of public investment funds: 23.7% of the Investment Budget for 1970 and 23.5% under the Development Plan Law for 1970-72 just voted. (The 1970-72 plan projects a growth rate of 18.2%.)

The palm oil sector has been the heaviest emphasized thus far. New joint ventures have just been formed by the Government for processing and marketing palm oil products. New processing mills will be built. EEC aid and World Bank funds have contributed to expansion of oil palm acreage and by 1975 palm oil output will reach 125,000 tons annually.

New rice mills are reportedly planned, though rising consumption makes the goal of self-sufficiency still elusive despite spectacular growth in rice production in recent years. (Self-sufficiency may still be a long way off; one U.S. brand of packaged quality rice has found a good market in Ivory Coast.) New cotton-print plants in the Abidjan area should give a new spurt to cotton production in the north. (Cotton and rice have been boons to the money economy in the less-privileged northern area of the country.) Negotiations are underway with the World Bank for a loan to expand cocoa acreage—not diversification, to be sure, but perhaps good economics in terms of longer-term demand for cocoa on the world market.

The two major development projects now under way—San Pedro port construction and the Bandama hydroelectric project—will serve both agriculture and industry. Plans call for the now virgin Southwest around the new port of San Pedro to be developed for cultivation mainly of cocoa, oil palm and natural rubber. A new city being built at San Pedro and roads linking the area with the rest of the country—and perhaps a railroad to the north—are counted on to foster overall economic and social development of the region.

The needed human resources will come from the population displaced by the Bandama reservoir in the center of the country; the dam is being built under the supervision of Kaiser Engineering and partly financed by the Ex-Im Bank. Need to resettle the remainder of the population in the Bandama area makes the Government highly receptive to opportunities for development of new economic activities there. Rice and other new crops are planned for the settlers. Efforts will be made to stimulate local commerce. And the Bandama plant's 175 MW of electricity will double the country's present generating capacity. The New York firm Development and Resources Corp. is the main consultant for Bandama resettlement and development planning; it has opened an Abidjan office.

### Close ties with U.S.

**It is in the broader interests of the United States and the other developed countries of the West that Ivory Coast's economic and political stability be maintained. Ivorian-U.S. relations are close and friendly. Ivory Coast is Western-oriented. It is moderate politically, and its economy is based on free enterprise within a framework of central development planning. Closer ties of trade and business presence to the mutual advantage of Ivory Coast and the United States will serve that end.**

Le Monde of Paris pointed out that the 1970 operating and investment budgets of Ivory Coast were nearly $35 million higher than the combined budgets of Senegal, Gabon and Cameroon! This is a good measure of Ivory Coast's progress and of its relative importance on the African economic scene today. The 1970 operating budget is up 14% over 1969; the investment budget up 62% (mainly for San Pedro and Bandama). Though the operating budget and 65% of the investment budget are self-financed, some signs of strain begin to be evident as mounting commitments increasingly impose curtailment of other public expenditure. The Price Stabilization Fund for Agricultural Products was this year dipped into for an exceptional $47 million for public investment financing.

No difficulty is foreseen in handling presently foreseeable debt-servicing when it peaks in the mid-seventies, though this could of course change in the event of heavy new borrowing or other limitation on availability of resources for meeting other development priorities. Investment financing in the future will remain precariously linked to world market conditions that determine the volume of revenue from agricultural exports.

In the meantime, the building boom in Abidjan that first strikes the new arrival is mainly privately-financed. One notable exception is the nearly completed 32-story office building to house the Ministry of Agriculture and related services; the new 30-story tower annex to the luxurious Hotel Ivoire thus did not long last as Abidjan's tallest building. The building boom is another persuasive indicator of the economy's vitality.

Coffee and cocoa are still the main bellwethers of the country's commercial life. Excellent crops this year have put much money into the economy, though consumer goods sales have not gone up as much as retailers had hoped. Wage increases just decreed retroactive to Jan. 1 have, however, generated about $45 million in additional spending power for this year.

At the labor-management level, and with the Government a very strongly interested party, the issue of Africanization of employment is likely to gather more steam. Pressures are growing to hasten the replacement of expatriate personnel by Africans. Shortage of trained Africans remains a problem. Africanization is a necessary fact of life on the local scene to be taken into account by any American investor, who is likely to find the local authorities especially well disposed toward American industrial methods relying heavily on employment of local nationals in overseas operations.

# Canada's gas imports now require licenses

Measures to require licensing of Canada's gasoline imports were tabled in Parliament on May 7 by the Minister of Energy, Mines and Resources. The license requirements, made under Section 87 of the National Energy Board Act, became effective on that date and are designed to control the sale of foreign-refined gasoline in markets west of the Ottawa Valley (that is, Ontario).

Previously, under the National Oil Policy, the reservation of this area for domestic products has been a matter of voluntary compliance. Contravention of this policy by imported gasoline coming reportedly from Italy, Romania and the Carribean has resulted in the present switch to mandatory controls through licensing (regulations already apply to import and export of natural gas and electricity to or from any part of Canada).

Under Canada's national oil policy established 10 years ago to encourage the development of a Canadian oil industry, areas west of the Ottawa Valley are to be served by domestic oil. Areas east of the line, too far from economic sources of Canadian oil, are permitted to import oil and products for local use.

The restriction on the movement west of the Ottawa Valley of gasoline refined in Quebec from imported crude is still left to voluntary compliance by oil companies, but this situation could be readily altered with mandatory controls should circumstances warrant it.

The leakage of foreign-refined gasoline into Ontario has been undermining Canada's split-market oil policy and the domestic producers which the policy seeks to protect. The latter have been complaining for some time that cheap gasoline imports were discouraging the expansion of refinery capacity in Ontario and causing gasoline price wars. Accordingly, major Canadian oil companies welcomed the licensing action.

## Spain issues new rules for tax rebates on exports

The Spanish Ministry of Finance has issued new regulations concerning tax rebates for exports, modifying all regulations now in force and adjusting them to the provisions of the General Tax Law.

The decree provides tax rebates to the exporter of all or part of the indirect taxes levied during the production, manufacture, and trade of the goods, products, and articles finally exported, within the limitations established by international agreements signed by Spain. The corporation turnover tax is refundable in every case.

Rebates are tied to the final export of the goods in question. The beneficiaries are individuals or firms exporting these goods, who meet the following requirements:

► that they are officially authorized to engage in export trade and are registered as exporters, and

► that all the documents covering the export transaction are issued in the name of, or for the account of, the exporting individual or firm. In certain cases, the beneficiary may be an individual or firm designated by special legislation.

The Government will calculate rebates on the same value basis used to calculate the taxes being refunded. According to the decree, the calculated value of the exported product may not exceed the domestic or internal value of an identical or similar commodity on the local market.

This Decree, No. 1255 of Apr. 16, published in the Boletin Oficial del Estado of May 5, became effective on June 1 and supersedes all previous legislation on the subject.

## Austria's duty-free quotas

The Austrian Finance Ministry has announced duty-free quotas on the following products for 1970:

Rennet casein for the production of casein plastics (150 tons),

Lactic acid casein for the production of coated paper (250 tons),

Rosin for the production of resin gums for use in paper production (1,000 tons),

Copper or brass foil without backing (2.8 million strips, 0.15 mm. or less in thickness and not exceeding 250 mm. in width) and copper foil backed with paper or other reinforcing material (1,500 meters), both products intended for the manufacture of frames and moldings;

Aluminum foil without backing (800,000 strips) and aluminum foil backed with paper or other reinforcing material (2,500 meters), both products intended for the manufacture of frames and moldings.

## ECSC duty suspensions on some iron, steel renewed

The European Coal and Steel Community has extended for an additional two months the total and partial suspension of the Common External Tariff (CXT) on certain iron and steel products (see Mar. 16 issue of INTERNATIONAL COMMERCE) —ingots, rolled blooms and billets, slabs, sheet bars, hot-rolled sheet in coils, and wire rod.

The full CXT rate, however, has been reapplied on concrete reinforcing bars and hot-rolled plate which were previously subject to partial duty suspensions.

Continued strong demand for iron and steel products within the Common Market has resulted in over a tripling of U.S. steel exports to the EEC—in 1969 the United States exported $156 million of iron and steel products compared with $48 million in 1968.

The following list shows the Common External Tariff duty, according to the Brussels Tariff Nomenclature (BTN), designation of products, and duty (if any) in percent ad valorem until July 31.

73.06—Puddled bars and pilings, ingots, blocks, lumps and similar forms (0); 73.07AI—Rolled blooms and billets (0); 73.07BI—Rolled slabs and sheet bars, including tinplate bars (0); 73.08—Coils for the manufacture of sheets (0); 73.10AI—Wire rod, simply hot-rolled or extruded (4).

## Germany opens import quota for canned asparagus spears

The Federal Republic of Germany has opened an import quota for canned asparagus spears from a number of countries, including the United States. Applications for licenses are now being accepted and may be submitted until Dec. 22. Licenses will be issued only to applicants who have received licenses under the previous quota, but cannot exceed 50% of the total value of that license. Import licenses issued will be valid until Dec. 31.

The first day of customs clearance will be June 16.

This quota follows the pattern of the earlier ones issued by the Foreign Trade Agency in Frankfurt. Although the reference system is applied, the U.S. Embassy does not expect any difficulties for American traders because of high U.S. offer prices compared to those of other world market competitors.



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# Manufacturers in three European nations are offering licenses to U.S. concerns

**German, Italian and Swiss companies are offering adhesives, auto accessories, demineralizing plants, winding reels and construction profiles**

Additional information on the following opportunities and the name and address of the firm is available from the Office of International Investment, BIC-874, U.S. Department of Commerce, Washington, D.C. 20230. Refer to the appropriate File number assigned each opportunity listed below.

• A West German company offers its types of adhesives for manufacture in the United States.

Included are: hot-melt adhesives used in woodworking and plastics industries; synthetic glue used in construction and assembly operations, and bonding of pressboard; contact adhesives with high strength used especially for difficult bonding operations; metal adhesives used in the steel, iron, and light metal fields, as well as in the ceramics, rubber, plastics and glass industries; and emulsion glues for foils.

The company is also seeking cross-licensing arrangements. **File 1887**

• A West German manufacturer of automobile accessories, car jacks, towing cranes and builders' hardware, would like to license fittings for wood sash; hydraulic and mechanical automobile jacks; and automobile parts and accessories which are new to the market. **File 1888**

• A German firm seeks an American licensee for its demineralizing plants. The firm reports that it has done much research and development work in the field of industrial, commercial and institutional water conditioning equipment. Its demineralizing plants reportedly represent the most advanced design of twin-column mineralizers for flow needs of 26 GPH to 5,200 GPH; and mixed-bed demineralizers of high operating efficiency with fully automated and electronically controlled operation.

The company states that its products have a large number of additional chemo-technical advantages, and their special design is protected by patents in many countries, including the U.S. Officials of the company prefer to negotiate a percentage fee (royalty payments) as the form of return for the license. **File 1889**

• An Italian manufacturer of adhesives and sealing material is offering its recently developed adhesive sealing compound for production in the U.S.

After being applied to clean or greasy metal surfaces which are joined or which are a few millimeters apart, this adhesive sealing compound of elastic rubber is heated to a temperature of 130°-140°. It becomes soft, and covers the metal area or fills the void. The compound swells (increasing its volume by 100%), and finally vulcanizes, forming a spongy junction. It can be drawn in different sizes and shapes, according to specific needs and uses. **File 1890**

• A Swiss sheet metal working firm is offering manufacturing license for its patented profiles applicable to the construction of skylights, windows, elevator framings, roofing, facades, and other items made of steel, light metal or copper alloys. **File 1891**

• A Swiss manufacturer of automatic band and wire winding reels seeks cross licensing arrangements with a U.S. manufacturer of similar equipment.

The wind-off and wind-up reels are used in connection with stamping, punching, blanking, welding machinery and similar applications of metal-working and punching machines. The manufacturer claims that his reels, which are automatic and electronically controlled, insure steady, traction free winding and greater productivity at a higher operation speed. The reels can be used to wind up or off any material and can be combined to perform the two operations at both ends of a metal press or puncher.

The firm will consider manufacture of U.S. winding reels under license in Switzerland and licensing its reels to a U.S. counterpart. **File 1614-R**

## Indian laboratory wants to establish biological supply house with U.S. partner

A small Indian biological laboratory seeks U.S. participation in the establishment of a modern and well-equipped biological materials supply house. The Indian firm plans to develop a laboratory for the production of microscope slides, live micro-organisms, tissues for pathological and pharmaceutical testings and biological and zoological specimen and mounts.

Initially, the enterprise will produce botanical and zoological slides and mounts for colleges, research institutions and high schools. Sought of a U.S. partner are capital, technical know-how and specialized expertise in slide making. According to the firm, approximately 70% of the equipment needed for the project can be purchased on the domestic market.

**Write:** Dr. N. L. Shah, Biotech Laboratories, 759/89 Bhandarkar Institute Road, Poona 4, India. WTD. **P-70636.**

Additional details on this opportunity are available from the Office of International Investment, U.S. Department of Commerce, BIC-878, Washington, D.C. 20230.

## French furniture firm wants licensing agreements

A Paris furniture manufacturer seeks licensing agreements with U.S. furniture producers specializing partly or wholly in techniques using synthetic resins. The French firm is also interested in importing finished products. It claims to be the fifth most important manufacturer in the French furniture industry.

**Write:** Mr. J. Dufour, Manager, MD Enterprises Departement Multiforme, 16 rue de l'Evangile, 75-Paris 18e, France. WTD. **P-70603.**

A brochure in French describing the firm's product line is available on a loan basis from the Office of International Investment, Department of Commerce, BIC-878, Washington, D.C. 20230.

## Hot metal adhesive license goal of German company

A license to produce hot melt adhesive is sought by a German manufacturer of synthetic adhesives, special glues and gelatin. The firm has approximately 90 employees and is a leading manufacturer in its field in Germany. Its sales organization is currently operating throughout Europe.

**Write:** Fritz Haecker & Sohn K.G., Leim-und Gelatinfabrik, 7143 Vaihingen/Enz., P.O.B. 65, Germany. WTD. **P-70631.**

# Two Austrian firms would like U.S. aid

An Austrian company seeks licenses to manufacture frozen food specialties, associated packaging equipment and specialty chemicals. It also wants to assemble electric motor cars or inplant transportation equipment. The firm is also interested in representing U.S. manufacturers of the above products in Austria and neighboring countries.

The firm was engaged in the production and distribution of dairy products, but it recently disposed of this operation and wants to utilize available capital and plant facilities for other activities.

**Write:** Otto Dobersberger, Manager, Wiener Milchverwertung Franz Dobersberger, Marinelligasse 15, A-1020 Vienna, Austria. WTD. **P-70634.**

• A well known and established Austrian concern is interested in a license or joint venture arrangement with an American firm to produce a soft drink using local mineral waters and imported American citrus fruit juices. The company is also interested in importing a high quality U.S. soft drink which could be marketed in Austria under the firm's registered trade mark "Long Life" and in exporting its bottled medicinal mineral water to the U.S.

**Write:** K. D. Bruehl, Bruehl & Soehne, Schmiedgasse 8-12, A-8010 Graz, Austria. WTD. **P-70635.**

## Synthetics manufacturer in Switzerland wants to make goods for building industry

A Swiss firm seeks licensing agreements with U.S. manufacturers for all kinds of products made from plastic and other synthetic materials for use in the building industry. It is particularly interested in making scratch proof foils and sheets, either colored or wood imitation, for application on kitchen furniture, cabinets and walls.

In addition, it seeks licenses in the field of prefabricated plastic window frames, panels for wall construction and similar materials in sheet, granulate or foam form with high thermic and noise insulation properties.

The company is a large domestic distributor of materials to the building industry and it operates large, modern manufacturing facilities for the production of plastic and synthetic resins. The company has an excellent sales force and maintains warehouses in 12 Swiss cities.

**Write:** Mr. Martinenet, Getaz, Romang, Ecoffey SA, 7 rue St. Antoine, 1800 Vevey, Switzerland. WTD. **P-70612.**

## German firm wants licenses for testing equipment

A German manufacturer of sheet metal, lacquer and paint testing machines and abrasion testing instruments seeks licenses to make additional products in this field. The firm has approximately 90 employees and distributes its products on a worldwide basis.

**Write:** Erichsen GmbH & Co. KG, 587 Hemer-Sundwig/W., Germany. WTD. **P-70618.**

## Swiss firms want license agreements for recovery and cosmetic products

A Swiss firm seeks licensing agreements with U.S. manufacturers of high quality cosmetics and toiletries. It is interested in the production of special skin moistening creams and cleaning preparations, products for eye cosmetics, toilet waters and perfumes. The firm would also consider the manufacture of fine body care products, bath oils, lotions and powders.

The company has manufacturing facilities in a number of European countries including Italy, France and Germany and maintains an excellent sales organization. It is equipped for the manufacture of all kinds of cosmetics preparations and toiletries.

**Write:** Herbert Bauer, President, Herba Holiding AG, P.O. Box 342, 4600 Olten, Switzerland. WTD. **P- 70629.**

• A Swiss company seeks licenses to manufacture equipment for waste recovery and waste water treatment equipment. It is particularly interested in the production of ion exchange equipment and apparatus utilizing the reverse osmosis process.

The firm is well known in the fields of waste and water treatment in Switzerland. It has developed new processes and equipment and maintains its own research department.

**Write:** A. E. Daester, Manager, Fairtec AG, Kirchstrasse 38, 2540 Grenchen, Switzerland. WTD. **P-70630.**

## Cyprus resort developers want financial collaboration for seaside tourist complex

A group of tourist resort developers and operators is seeking financial collaboration with an American group for the development of a seaside resort complex. Plans call for hotels, bungalows, villas and apartments to accommodate up to 3,000 people. The 53 acre site, which contains about 1½ miles of sea frontage, is located about 18 miles north of Famagusta at Cape Elea.

The Government of Cyprus is pursuing a policy of support and assistance to those engaged in the tourist development industry. Government approved projects involving the building of hotels, bungalows, etc., can qualify for long-term low interest rate loans by the Public Loan Fund (Government Lending Agency). Certain tax concessions are also granted.

**Write:** Kastroulli Beach Holidays Ltd., 26 Gladstone St., P.O.B. 143, Famagusta, Cyprus. WTD. **P-70607**

### Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investment, U.S. Department of Commerce, Washington, D.C. 20230.



XUM

# World Trade Opportunities

## Jamaica agency issues tender on water scheme construction contract

The Water Commission of Jamaica (a quasi-Government body) has issued a call for bids on various civil engineering construction contracts in connection with the Rio Cobre Water Supply Scheme. The works in these contracts provide for the abstraction of water from Tulloch Spring, approximately 14 miles west of Kingston, and its conveyance by pipe to the city.

A description of the contracts follows: Contract C-2, laying, jointing and testing of approximately 7 miles of 24-inch nominal diameter pipeline, approximately 2 miles of which will be laid on concrete piers, together with the construction of valve chambers and other ancillary works; Contract C-3, laying, jointing and testing of approximately 6½ miles of 30-inch nominal diameter pipeline, of which approximately ½ mile will be laid on concrete piers, together with the construction of valve chambers and other ancillary works, and including the construction of a reinforced concrete reservoir of 250,000 imperial gallon capacity and ancillary works; Contract C-4, laying, jointing and testing of approximately 2 miles of 28-inch nominal diameter pipeline, 2 miles of 24-inch nominal diameter pipeline, 2 miles of 22-inch nominal diameter pipeline, and 3 miles of 18-inch nominal diameter pipeline, together with the construction of valve chambers and other ancillary works.

Contract C-5, divided into three sections (tenderers are invited to offer for the construction of one or more of the sections). Section A—approximately 14 miles comprising a spring intake, reinforced concrete pump sump, control building, mainlaying and other minor works, Section B—comprising concrete plinths for pumps and an extension to an existing pumping station, mainlaying and other minor works, Section C—comprising two booster stations, mainlaying and other minor works; and Contract C-7, construction of a covering to an existing open reservoir (the overall plan dimensions of the reservoir are approximately 200 feet by 180 feet and the water depths approximately 15 feet). Tenders are invited to bid for the construction of an aluminum roof covering supported on reinforced concrete columns and prestressed concrete valley beams all to the Engineer's design or alternately to design, supply and erect a covering to their own design.

The bid deadline on all these contracts is 2 p.m., July 9. Additional information is available from Howard Humphreys & Sons (Jamaica) 4 Marescaux Road, P.O. Box 17, Kingston, Jamaica.

## Venezuela wants prequalifiers for planned Caracas expressway

The Venezuelan Ministry of Public Works invites prequalification of contractors for the construction of Avenida Boyaca (Cota Mil), a four-lane divided, limited-access expressway in Caracas. A loan for this project has been secured from the International Bank for Reconstruction and Development.

This project consists of two sections, both about four kilometers long, covering construction, pavement and structures. L-70-V-13 is between El Marques and Urbanizacion Miranda and L-70-V-14 from San Bernardino to Avenida Baralt.

Non-Venezuelan firms wishing to bid must present at a public meeting of the Bid Commission written notice on official paper or on company letterhead with a fiscal stamp of Bs. 1 (22 cents) a statement of their interest in bidding. This letter must be accompanied by other documents required by Venezuela. All documentation must be presented in Spanish, duly legalized by a Venezuelan Consul, in the Library of the Ministry of Public Works located in the Mezzanine of the Edificio Camejo, Esquina de Camejo, Caracas, on Aug. 4 at 10 a.m.

Copies of a brief description of the project and "Venezuelan Requirements for Participation in Bidding for Public Tenders," which lists necessary documentation, are available from the Construction and Building Materials Division, BDSA-645, Room 5611, Department of Commerce, Washington, D.C. 20230 ★(202-967-3602).

## Mercantile Marine in Greece requires radar equipment

The Ministry of Commerce, 4th Directorate of State Purchases, has issued Tender No. 4/351/1970 for the supply of radar equipment for the Ministry of Mercantile Marine. The bid deadline is June 29.

Bids should offer six transistorized radar sets 3Kw output power in frequency range 9.32 KMHZ to 9.48 KMHZ minimum range 24 nautical miles, and one true motion radar with a range of 48 nautical miles.

Copies of the tender announcement and specifications are available from the Ministry of Commerce, 4th Directorate of State Purchases, 75 Solonos St., Athens or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

## Turks ask bids to illuminate Izmir stadium and scoreboards; swimming pool project included

The Greek Ministry of Public Works, Department of Building and Development, Ankara invites bids for a project to illuminate the Izmir Halkapinar Stadium. It is estimated that the project will cost 1,250,000 Turkish Liras (9 liras = U.S.$1). An eligibility certificate must be applied for by 5 p.m., July 3, and the bid deadline is prior to 3 p.m., July 7. A temporary bid bond of 51,250 Turkish Liras is required.

The Ministry of Public Works also has issued a tender for two illuminated scoreboards for the Izmir Halkapinar Stadium and the Izmir Alsancak Swimming Pool Project. The cost estimate of the project is 2,750,000 Turkish Liras (9 Liras = U.S.$1). A temporary bid bond of 96,250 liras is required. An eligibility certificate must be applied for by 5 p.m., July 29 and the bid deadline is 3 p.m., July 3. Terms and conditions may be obtained from the Financial Counselor, Turkish Embassy, 2523 Massachusetts Ave., NW., Washington, D.C. 20008 (202-483-5366).

## Venezuelan Government's bid procedures outlined

In view of the fact that Venezuelan government agencies normally give only a short period (sometimes as short as eight days) from the date of publication of opportunities to bid until the date that bids are due or documentation for pre-selection of bidders has to be presented, information has been made available as to the requirements normally requested by government agencies from local or foreign companies interested in participating in bidding.

Major projects usually call for a pre-selection of bidders, while other projects or purchases sometimes call for immediate bidding. In all cases, preference will be given to domestic firms or foreign firms domiciled or represented in Venezuela, unless foreign financing is involved with a requirement that there be international competitive bidding.

In any case, a foreign firm which has a subsidiary or a fully authorized sales agent in Venezuela will be given preference if its products meet the specifications and its prices are not excessive. Furthermore, some tenders limit bidding to those firms which are inscribed in the suppliers register of the government agency concerned.

Any company domiciled in Venezuela (legally registered in the Commercial Register of the Commercial Courts) may inscribe itself with any government agency likely to open bids or to purchase equipment or services.

A list of federal agencies which frequently open bids or purchase supplies or equipment may be obtained from the International Liaison and Trade Opportunities Staff, BDSA-541, Room 4057, Department of Commerce, Washington, D.C. 20230 ★(202-967-4674). There are also two Overseas Business Reports relevant to selling to Venezuela: *Establishing a Business in Venezuela* (OBR 69-64), and *Selling in Venezuela* (OBR 69-23). There is also an Overseas Business Report on *Foreign Trade Regulations of Venezuela* (OBR 69-52). These reports may be obtained for 15¢ a copy from any of the Department of Commerce Field Offices or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

## Indonesia issues tender for telecommunications items

The Public Works Department has issued Tender No. 3/BM/IDA for the supply of telecommunications equipment. The bid deadline is July 15.

Bids should offer 25 SSB radios and 93 VHF or UHF radios and spare parts for two years operation.

Copies of tender announcements and specifications are available from the Directorate General of Highways, Department of Public Works and Power, Djalan Pattimura 7, Keba Joran Baru, Djakarta at a cost of 8,000 rupiahs (U.S.$1.00=378 rupiah) or on a short-term loan basis to firms located in the U.S. from the Communications and Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

# World Trade Opportunities Continued through page 40

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

*Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.*

- ● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.
- ★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade should specify country and TM number.
- **WTD** indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

## Agencies

*Specific foreign firms have expressed interest in agency agreements for the products listed below. Exclusive agencies for these products are wanted only if specified.*

### 243 Millwork, veneer, plywood, prefabricated structural wood products

**24310 — NETHERLANDS** — All kinds of wooden building materials. Anne Doorn Agenturen (importer, agent), 157 II Schrijverspark, Veenendaal. WTD 5/70.

### 249 Wood products

**24995 — NETHERLANDS** — Miscellaneous wood products for home improvement, such as panelling. Anne Doorn Agenturen (importer, agent), 157 II Schrijverspark, Veenendaal. WTD 5/70.

### 251 Household furniture

**25114—NETHERLANDS**—Wooden kitchen cabinets for homes and home trailers. Agencies requested for sales and possible assembly in The Netherlands. Anne Doorn Agenturen (importer, agent), 157 II Schrijverspark, Veenendaal. WTD 5/70.

### 262 Paper mills, products

**26212—ITALY**—Printing paper. Rag. Carlo Mosca (distributor), Via Figino 107, Pero (Milan). WTD 8/69.

**26217—ITALY**—Special paper for manufacture of wearing apparel and for manufacture of underwear. Rag. Carlo Mosca (distributor), Via Figino 107, Pero (Milan). WTD 8/69.

### 263 Paperboard mills, products

**26311 — ITALY** — Unbleached kraft linerboard. ORIE-Organizzazione Rappresentanze Industrie Estere di Michele Harari (agent), Galleria Unione 5, Milan. WTD 6/69.

### 281 Industrial chemicals

**28150 — MOROCCO** — Organic chemicals such as dyes, color lakes and toners, pigments, etc. Quotations c.i.f. Casablanca. Africaine Industrielle et Commerciale (importer, agent), 23, rue Oudjari, Casablanca. WTD in preparation.

### 284 Soap, detergents, cleaning preparations, perfumes, cosmetics

**28445 — SWITZERLAND** — High quality skin and body care creams, as well as eye shadows and similar beauty products; toilet water and lotions. Herba Holding AG; Attn: Herbert Bauer (distributor, agent), P.O. Box 342, 4600 Olten. WTD 5/70.

### 287 Agricultural chemicals

**28790—MOROCCO** — Insecticides, fungicides, herbicides, fumigants, pesticides, other chemicals for agriculture. Quotations c.i.f. Casablanca. Africaine Industrielle et Commerciale (importer, agent), 23, rue Oudjari, Casablanca. WTD in preparation.

### 352 Farm machinery

**35228—PARAGUAY** — Grain cleaners and dryers, mobile. Eberhard Lewkowitz (importer, distributor, agent), Casilla Postal 523, Asuncion. WTD in preparation.

### 355 Special industry machinery

**35513—NETHERLANDS** — Packaging machinery. Handelsvennootschap "Europa" N.V., Attn: Eug. Muskens (importer, agent), 1 Hermelijnlaan, Hilversum. WTD 5/70.

**35552—NETHERLANDS** — Printing equipment for packaging industry. Handelsvennootschap "Europa" N.V., Attn: Eug. Muskens (importer, agent), 1 Hermelijnlaan, Hilversum. WTD 5/70.

**35590—SWITZERLAND** — Machinery and equipment for recovering of waste materials. Fairtec AG; Attn: A. E. Daester, Mgr. (distributor, agent), Kirchstrasse 38, 2540 Grenchen. WTD in preparation.

### 356 General industrial machinery

**35690—NETHERLANDS** — Packaging machinery, equipment. Handelsvennootschap "Europa" N.V. Attn: Eug. Muskens (importer, agent), 1 Hermelijnlaan, Hilversum. WTD 5/70.

### 357 Office, computing, accounting machines

**35731 — SWITZERLAND** — Small electric data processing systems, computing machines, related software such as tele-processing systems, terminals. Programm AG; Attn: A. E. Daester, Mgr. (distributor, agent), Kirchstrasse 38, 2540 Grenchen. WTD 4/70.

### 364 Electric lighting, wiring equipment

**36410 — AUSTRALIA** — Pilot and indicator



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lights. David Swann, Man. Dir., McMurdo (Australia) Pty. Ltd. (importer, manufacturer, agent), 17 Carinish Rd., Clayton, Victoria 3168. WTD 5/70.

**36430—AUSTRALIA**—Plugs and sockets; connectors; terminals; transistor and integrated circuit sockets. David Swann, Man. Dir., McMurdo (Australia) Pty. Ltd. (importer, manufacturer, agent), 17 Carinish Rd., Clayton, Victoria 3168. WTD 5/70.

**36511—AUSTRALIA** — Push-button tuners for car radios; other types of car radio components, including commercial trimmers. David Swann, Man. Dir., McMurdo (Australia) Pty. Ltd. (importer, manufacturer, agent), 17 Carinish Rd., Clayton, Victoria. WTD 5/70.

### 366 Communications equipment

**36621 — ISRAEL** — Commercial, industrial, military electronic communications equipment. Exclusive agency. COMHOL Ltd. (importer, distributor, agent, exporter), 81 University St., P.O. Box 33345, Tel Aviv. WTD in preparation.

**36622—ISRAEL**—Television closed circuit systems and equipment, CCTV and professional equipment for TV. Exclusive agency. COMHOL Ltd. (importer, distributor, agent), 81 University St., P.O. Box 33345, Tel Aviv. WTD in preparation.

**36625—ISRAEL**—Electronic search and detection apparatus, including radar, infrared and sonar. Exclusive agency. COMHOL Ltd. (importer, distributor, agent), 81 University St., P.O. Box 33345, Tel Aviv. WTD in preparation.

**36629—ISRAEL**—Microwave communication equipment. Exclusive agency. COMHOL Ltd. (importer, distributor, agent), 81 University St., P.O. Box 33345, Tel Aviv. WTD in preparation.

### 367 Electronic components, accessories

**36790 — AUSTRALIA** — Electronic hardware; electromechanical components; electronic switches; printed circuit board hardware; turned and metal pressed contacts for the electronic industry. David Swann, Man. Dir., McMurdo (Australia) Pty. Ltd. (importer, manufacturer, agent), 17 Carinish Rd., Clayton, Victoria 3168. WTD 5/70.

### 373 Ship building, repairing

**37311—PARAGUAY** — Push barges (tank, covered, deck), 200 to 400 tons capacity, new condition. Embassy of the United States of America, Attn: Commercial Section, TO #30. 1776 Mariscal Lopez Ave., Asuncion.

**37313 — PARAGUAY** — Push tugboats, new condition. Embassy of the United States of America, Attn: Commercial Section, TO #31, 1776 Mariscal Lopez Ave., Asuncion.

### 383 Optical instruments, lenses

**38311—ISRAEL**—Optical measuring instruments and devices, all kinds. Exclusive agency. COMHOL Ltd. (importer, distributor, agent), 81 University St., P.O. Box 33345, Tel Aviv. WTD in preparation.

### 386 Photographic equipment, supplies

**38611—ISRAEL**—Special cameras, related equipment for aerial photography. Exclusive agency. COMHOL Ltd. (importer, distributor, agent), 81 University St., P.O. Box 3345, Tel Aviv. WTD in preparation.

### 399 Manufacturing industries

**39990—GUATEMALA**—Manufactured products, such as gadgets, charms, etc., not produced in Central American Common Market and new to U.S. market. Also interested in discussing joint ventures for production and distribution of these products. CODICASA-Compania de Distribucion Centroamericana, S.A. (distributor, agent), 11 Avenida 20-60, Zona 1, Apartado Postal 1145, Guatemala City. WTD 4/70.

### 593 Antique, secondhand stores

**59330 — LEBANON** — Used clothing. Hammoud Cousins (importer, distributor, manufacturer, agent), Financial & Real Estate Bldg. of Beirut Port, Marseillaise St., Beirut. WTD 12/69.

## New Zealand to buy galvanized steel transmission towers

The New Zealand Electricity Department wishes to enter into a three-year contract for the supply of 4000 tons, more or less, of tower steel as tower parts, 110-kv. Class "M" lines. The Department will not be bound to purchase the full quota of steel during the three-year period or at any other time. The initial requirement, however, is for a total of 239 towers.

The bid deadline is 4 p.m., July 28 at the Secretary, Tenders Committee, New Zealand Electricity Department, P.O. Box 12144, Wellington North.

Copies of the General Conditions of Contract, Special Conditions of Contract and Job Specifications are available from the Finance Officer, Embassy of New Zealand, 1145 19th St., NW., Washington, D.C. 20036 or the Construction and Building Materials Div., BDSA-645, Room 5611, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3602).

## Greece issues tender on radar, directional finding equipment

The Ministry of Commerce, 4th State Purchases Directorate, has issued Tender No. 4/338/1970 for the supply of radar and automatic direction finding equipment. The bid deadline is June 26.

Bids should offer two radar systems for installation on board customs ships, with a range of 20 nautical miles, and operating in the range 9-10 KMHZ, and eight automatic direction finders for installation on merchant marine ships.

Copies of the tender announcement and specifications are available from the Ministry of Commerce, 4 State Purchases Directorate, 75 Solonos St., Athens or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

## Seoul briefing session planned before issuance of tenders on irrigation, drainage works

Prior to issuing construction tenders for irrigation and drainage systems in the Nonsan Division of the Kumgang-Pyongtaek Irrigation Project and the sea dike and drainage sluices works in the A-San estuary (Pyongtaek area), also a part of the Pyongtaek-Kumgang Irrigation Project Corp. A briefing will be held in Seoul in the offices of the Agricultural Development Corporation. These works will be partially financed by the World Bank.

The meeting will be held from 9-12 a.m., July 14, in the Ssangyong Building, 24, 2-ka, Jeo-dong, Choong-ku, Seoul, Korea.

Copies of the announcement providing additional information on the projects are available from the Construction and Building Materials Division, BDSA-645, Room 5611, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3602), and Department of Commerce Field Office, Federal Bldg., Box 36013, 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

# Visiting Buyers and Officials

*Scheduled arrival dates and U.S. addresses indicated*

**AFGHANISTAN** — Ghulam Hassan Hosseinzada, Haji Ghulam Mohammed Hosseinzada, Serai Faiz Mohammed Naseri, Kabul, **interested in buying used clothing and in visiting these suppliers.** End of June via New York for 3 mos. c/o Trans Americas Trading Co., 116/122 West St., Brooklyn, N.Y. 11222. Itinerary: New York, cities in Massachusetts and California. WTD 3/69.

**ARGENTINA**—Mauricio Rasumoff, Organizacion Tecnica Electromecanica (O.T.E.M.), S.A., Catamarca 519, Buenos Aires, **interested in talking to U.S. firms that would be willing to grant licenses for the manufacturing of industrial ovens, dryers, and gas burners, mainly in the New York area and requesting technical information and procedures related to advanced systems for processing and marketing dried fruits and dehydrated vegetables.** June 20-25 via New York for 15 days. c/o Argentine Consulate in New York and Los Angeles. Itinerary: New York, Pittsburgh, Cleveland, Chicago, San Francisco, Los Angeles. WTD in preparation.

**CHILE**—Raul Van de Wyngard B. and Renan Van de Wyngard, Pinturas El Adarga S.A.I.C., Antofagasta 3117, Santiago, **interested in contacting U.S. manufacturers of machinery for the paint industry and manufacturers of products in the firm's line of business —manufacturing paints, varnishes, lacquers, and requesting technical information.** June 25 via Los Angeles for 15 days. c/o Biltmore Hotel, 515 S. Olive St., Los Angeles, Calif. 90013. Itinerary: Los Angeles, San Francisco, Seattle, San Diego, Phoenix. WTD 12/69.

**SOUTH AFRICA**—S. A. Bizos, B. P. Catering Equipment (Pty) Ltd., 196 End St., Johannesburg, **interested in direct purchase and agencies for catering equipment and requesting technical information on design of institutional, industrial and commercial kitchens and food service lines.** May 20 via Chicago for 1 mo. c/o Hotel Knickerbocker, 120 W. 45th St., New York, N.Y. 10036. Itinerary: Chicago, New York, others as necessary. WTD 2/70.

**SOUTH AFRICA**—G. Weil, Director, Weil Organization (Pty.) Ltd., P.O. Box 10924, Johannesburg, **interested in distributing U.S. nuclear equipment educational systems, automatic densitometers.** End of June via New York for 2 weeks. c/o South African Airways, 605 Fifth Ave., New York, N.Y. 10017. Itinerary: open. WTD 7/69.

# Direct Sales

*Specific foreign firms have expressed interest in direct purchases of the products below. See also the "Agencies" listing.*

### 209 Food preparations

**20994 — MOROCCO** — Yeast, dry, active; consumer and commercial sizes. Direct purchase and agency. Quotations c.i.f. Casablanca. Direct purchase and agency. SOMIDEX (importer, agent), 260, Blvd. Mohammed V, Casablanca. WTD in preparation.

### 242 Sawmills, planing mills

**24211—FRANCE**—Lumber, rough, primarily yellow pine wood. Quotations, price lists requested. MAURIAC (Etablissements) )importer, distributor, agent), rue Sarah Bernhardt, 33 Pichey-Merignac. WTD 4/70.

### 243 Millwork, veneer, plywood, prefabricated structural wood products

**24332—FRANCE**—Prefabricated wood structures for construction: parts, panels, sections, walls, partitions, floors, ceilings, etc. Literature, price lists requested. MAURIAC (Etablissements) (importer, distributor, manufacturer), rue Sarah Bernhardt, 33 Pichey-Merignac. WTD 4/70.

### 254 Partitions, shelving, lockers, office, store fixtures

**25420—DAHOMEY**—Racks for used clothing. Correspondence requested in French. Societe Industrielle d'Habillement du Dahomey (SOIDAH) (importer, distributor, manufacturer), Carre 106, P.O. Box 549, Cotonou. WTD in preparation.

### 261 Pulp mills, products

**26112—NIGERIA**—Pulp: soft wood sulphate 3,000-5,000 tons; bleached sulphate long and short fibered 1,000-2,000 tons. Nigerian Paper Mill Ltd. (importer, distributor, manufacturer), P.O. Box 1648, Lagos. WTD in preparation.

### 264 Converted paper, paperboard products

**26413—MOROCCO**—Labels, gummed, unprinted stock. Direct purchase and agency. Quotations c.i.f. Casablanca. Direct purchase and agency. C.O.G.I.C.O.M. (importer, agent), 315, Blvd. Mohammed V, Casablanca. WTD in preparation.

### 281 Industrial chemicals

● **28100—PARAGUAY**—Sodium fluosilicate (sodium silicofluoride), 30 metric tons for water use by the autonomous goverment water and sewage utility Coposana. Packing not specified, but believed to be bagged material. Bid deadline July 1; tender number not available. Quotations to the Director Ejecutivo, Coposana, Avenida Espana 498, Asuncion. Copies of the translated tender notice and specification expected, and will be available from Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-3468).

### 287 Agricultural chemicals

**28790 — MOROCCO** — Insecticides, fungicides, pesticides, other similar chemicals for agricultural use. Direct purchase and agency. Quotations c.i.f. Casablanca. Direct purchase and agency. SOMIDEX (importer, agent), 260, Blvd. Mohammed V, Casablanca. WTD in preparation.

### 306 Fabricated rubber products

**30692—NETHERLANDS**—Special hose for petrochemical industry. Exclusive representations. Ad. Voigt & Co. C.V., Attn: Mr. J. Boomstra (importer, distributor), 317 Herengracht, Amsterdam. WTD 5/70.

**30695—NETHERLANDS**—Steamhose couplings, newly developed rubber products for industrial purposes. Exclusive representations. Ad. Voigt & Co. C.V., Attn: Mr. J. Boomstra (importer, distributor), 317 Herengracht, Amsterdam. WTD 5/70.

### 331 Steel mill products

**33120—ENGLAND**—Prime spring steel billets to spec. SAE 5160H supplied with Hardenability Jominy Test Certificates. Quantity: 2,000-5,000 tons; size: 2½"-2¾" or 3" sq. x 28'/30' lengths. Chemical analysis: carbon 0.55-0.65%; manganese 0.65-1.1%; phosphorus 0.035% max.; sulphur 0.04% max.; silicon 0.2-0.35%; chrome 0.6-1.00%. Impurities: copper 0.25 max.; nickel 0.35 max.; molybdenum 0.06 max. Grain size: micrograin size number 5 to 8. Prices should include c.i.f. Liverpool or Hull, preferably the latter. Rotherham Forge & Rolling Mills Co. Ltd. (manufacturer), 119 Wilton Rd., London, S.W. 1. WTD in preparation.

**33121—KOREA** — Coke — except screening and breeze. Approx. 5000 m/t; size—8-25 m/m; $H_2O$—6% max.; fixed carbon—82% min.; VolM.—2% max.; ash—12% max.; total S.—0.8% max.; porosity—45% max.; shuter test—80% min. Direct purchase and agency. Dae Ryun & Co. (distributor, agent), I.P.O. Box 3447, Seoul. WTD 11/69.

**33133—IRAN**—Ferrosilicon; Si. 75%; Al. max. 105%, quantities to be determined through direct correspondence. PARS Metal, Inc. (importer, manufacturer), 333 Villa Ave., Tehran. WTD 5/70.

### 335 Rolling, drawing, extruding of nonferrous metals

● **33500 — GREECE** — Supply of various submarine cables. Tender No. 6774, bid deadline June 24. Contact Subdirectorate of Tenders, Athens, 6 Klissovis str. 2nd Floor, Room 24, tel. 626-009.

● **33500—KOREA**—Supply of coaxial cable. Tender No. KFX-0098 PI; bid deadline June 27. Contact Ministry of Communications, Government of the Republic of Korea, or from the Korean Consulate General, 9 E. 80th St., New York, N.Y. 10021.

### 342 Cutlery, hand tools, general hardware

● **34200 — TRINIDAD** — Supply of various sizes and quantities of bolts and nuts, compound for split bolt connectors, connectors, pins, belts, etc. Tender Nos. 2008-2013; bid deadline July 24. The Purchasing Officer, Trinidad and Tobago Electricity Commission, 63 Frederick St., Port of Spain. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

### 351 Engines, turbines

**35195 — NETHERLANDS** — Outboard motors. N.V. Leenman's Machinefabriek & Scheepswerf (importer), 31 Industrieweg, Zwolle. WTD 5/70.

### 354 Metalworking machinery

● **35400—INDIA**—Gear hobbing machine with 15 h.p. motor: Tender No. 909/03-2/293 (ISM ref. D/ENG/56); bid deadline June 30. Two internal grinders, maximum length of hole 12", maximum diameter of hole 18": Tender No. 909/03-2/297 (ISM ref. D/ENG/55); bid deadline June 30. Twin table rotary surface grinder with 18" diameter wheel and 50 h.p. grinding spindle motor: Tender No. 909/03-2/294 (ISM ref. D/ENG/54); bid deadline June 30. Procurement is Global. The Deputy Controller of Stores, Diesel Locomotive Works, Varamasi. Copies of specifications may be obtained from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008, for $2.00 per each copy.

### 355 Special industry machinery

**35531—HONDURAS**—Machinery and equipment for manufacture of broom and mop handles, other household cleaning articles. Also seeking technical know-how for establishment of broom factory. William Kivett (manufacturer), P.O. Box 543, Tegucigalpa. WTD in preparation.

**35551 — NETHERLANDS** — All kinds of printing presses. Direct purchase or representations requested, preferably on an exclusive basis. Grafisch Technisch Bureau Hesterman N.V., Attn: Mr. R. Bosma (importer, distributor), 17 Elektronstraat, P.O. Box 8145, Amsterdam. WTD 5/70.

**35551 — NETHERLANDS** — All types of printing presses. Exclusive representations requested on direct or commission basis for sales in Benelux countries. Firma H. Leissler, Attn: Mr. W.Ph. de Raay (importer, distributor, agent), 85 Herengracht, Amsterdam. WTD 5/70.

**35552 — NETHERLANDS** — All types of graphic equipment, supplies. Exclusive representations requested on outright or agency basis for Benelux countries. Firma H. Leissler, Attn: Mr. W.Ph. de Raay (importer, distributor, agent), 85 Herengracht, Amsterdam. WTD 5/70.

**35552—NETHERLANDS**—Bookbinding machines, folding and cutting machines, other printing trades machinery. Direct purchase or representations requested, preferably on an exclusive basis. Grafisch Technisch Bureau Hesterman N.V., Attn: Mr. R. Bosma (importer, distributor), 17 Elektronstraat, P.O. Box 8145, Amsterdam. WTD 5/70.

**35540—NETHERLANDS** — Paper converting equipment. Exclusive representations requested on direct or commission basis for Benelux countries. Firma H. Leissler, Attn: Mr. W.Ph. de Raay (importer, distributor, agent), 85 Herengracht, Amsterdam. WTD 5/70.

**35595—DAHOMEY** — Complete installation of a factory for treating used clothing: capacity of treatment per yr.: 6,500 tons; technical assistance to be provided by US firm for certain period; training of Dahomeans to operate and maintain machines. Correspondence requested in French. Societe Industrielle d'Habillement du Dahomey (SOIDAH) (importer, distributor, manufacturer), Carre 106, P.O. Box 549, Cotonou. WTD in preparation.



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**35595—GUATEMALA**—Automatic, medium-sized glass polishing and beveling machinery, electric. Correspondence requested in Spanish. Vidrieria "Rojas" (importer, manufacturer, retailer), 19 Calle 2-37, Zona 1, Guatemala City. WTD 5/70.

**35595 — HONDURAS** — Machinery, equipment and instructions for manufacture of brooms, mops, similar articles. Also seeking technical know-how for establishment of broom factory. William Kivett (manufacturer), P.O. Box 543, Tegucigalpa. WTD in preparation.

### 356 General industrial equipment

● **35600—KOREA**—One offset press, automatic, single color. Tender No. KFX-0098-P1; bid deadline June 27. Office of Supply, Government of the Republic of Korea. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

**35690 — MOROCCO** — Machinery for manufacture of labels from imported label stock. Quotations c.i.f. Casablanca. C.O.G.I.C.O.M. (importer, agent), 315, Blvd. Mohammed V, Casablanca. WTD in preparation.

### 358 Service industry machines

**35853 — GUATEMALA** — Drinking water coolers. Correspondence requested in Spanish. Comercial Herrera-Jorge A. Herrera R. (importer, retailer), 6a. Calle 1-57, Zona 9, Guatemala City. WTD 5/70.

**35891—GUATEMALA** — Commercial cooking and food warming equipment for cafeterias, restaurants. Correspondence requested in Spanish. Comercial Herrera-Jorge A. Herrera R. (importer, retailer), 6a. Calle 1-57, Zona 9, Guatemala City. WTD 5/70.

**35892—SWITZERLAND**—Water treatment and purification equipment and apparatus; similar machinery which working principle is based on continuous ion exchange and/or reverse osmosis. Fairtec AG; Attn: A. E. Daester, Mgr. (distributor, agent), Kirchstrasse 38, 2540 Grenchen. WTD in preparation.

### 361 Electric transmission, distribution equipment

● **36100 — GREECE** — Supply 3,500 single pole, street lighting time switches with solar type dial and single contacts for 20A, at 220V, enclosed in weather-proof box; 1,250 separate single pole electromagnetic contacts. Tender No. DMKD-667/II/Ab; bid deadline July 9. One copy of specifications available on loan from the Power & Electrical Equipment Division, BDSA, Room 5886C, U.S. Department of Commerce, Washington, D.C. (202-967-4188).

● **36100 — GUATEMALA** — Supply 1 each linkage electrical power transformer with 138/69 KV, vendor must have local sales representative or agent. Tender No. 6-70; bid deadline July 14. Specifications available for approximately $15 (U.S.) from Institute Nacional de Electrificación—INDE, 6a. Avenida 2-73, zone 4, Edificio Cordon Horjales, Guatemala City, Guatemala. Correspondence preferred in Spanish.

● **36100—INDIA**—Supply 2 each 125 h.p., 1000 RPM (synchronous) totally enclosed fan cooled squirrel cage foot mounted induction motors; 2 each 40 h.p. 1500 RPM (synchronous) totally enclosed fan cooled, squirrel cage, flange mounting induction motors. (Global Purchase) Tender No. 1153/BPO/PR/57808/E-1417 and 57730/E-1773; bid deadline July 1. Specifications available from India supply Mission, 2536 Massachusetts Ave. NW., Washington, D.C. 20008 and the Consul General of India, 215 Market St., San Francisco 5, Calif.

● **36100 — INDIA** — Supply of single beam and eight-beam oscilloscope tubes, standard cassettes, recorder, amplifiers, transducers, etc. Tender No. ES4/224/34/277/Cell-221; bid deadline June 30. Invited by Director General, Supplies and Disposals, Parliament St., New Delhi, India. Tender documents available, at $2.00 each, from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008. Ref: D/ENQ/81.

● **36100—THAILAND**—Supply 500 sets 15 KW class current transformers, outdoor type, compound filled on dry type, with bracket, 50 cycle. Tender No. MEA-PSD-193 bid deadline July 13. Purchase and Stores Department, Metropolitan Electricity Authority, 121, Chakraphet Rd., Bangkok, 2, Thailand. Specifications available from Power & Electrical Equipment Division, Room 5886C, BDSA, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-4188). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

### 363 Household appliances

**36322 — GUATEMALA** — Home freezers, chest type, electric, new or rebuilt. Correspondence requested in Spanish. Comercial Herrera-Jorge A. Herrera R. (importer, retailer), 6a. Calle 1-57, Zona 9, Guatemala City. WTD 5/70.

**36341 — GUATEMALA** — Small household electric appliances. Correspondence requested in Spanish. Comercial Herrera-Jorge A. Herrera R. (importer, retailer), 6a. Calle 1-57, Zona 9, Guatemala City. WTD 5/70.

### 365 Radio, television receiving sets

**36511—NETHERLANDS** — Television sets suitable for European reception; portable radios; 220V. Exclusive distributorship for Benelux countries. Electronics Nederland N.V., Attn: R. Kalkoene, Mgr. (importer), 183 van Hallstraat, Amsterdam. WTD 5/70.

**36514 — NETHERLANDS** — Stereo tuners, stereo cassette recorders, and record players (220 V, 50 cycles). Exclusive distributorship for Benelux countries. Electronics Nederland N.V., Attn: R. Kalkoene, Mgr. (importer), 183 van Hallstraat, Amsterdam. WTD 5/70.

**36515 — NETHERLANDS** — Loudspeaker boxes. Exclusive representation for Benelux countries. Electronics Nederland N.V., Attn: R. Kalkoene, Mgr. (importer), 183 van Hallstraat, Amsterdam. WTD 5/70.

### 371 Motor vehicles, motor vehicle equipment

**37112—EL SALVADOR**—Two used truck tractors, of either White Frenchliner, Kenworth or International trademark or equal; equipped with double (tandem) twin screw traction axles; overhauled NH 220S/250 Cummins diesel motor or equal; R 96 Roadranger gear transfer box or equal; sliding 5th. wheel; sleeper compartment and new 1000 x 20 size tires. Transportes Asociados, Attn: Jaime Vera Sabater (truck and trailer freight transport company), 7a. Calle Oriente 835, San Salvador. WTD in preparation.

**37150—EL SALVADOR**—Two used truck trailer vans, each 35 ft. long, with extensible tandem, spring suspension and new 1000 x 20 size tires. Transportes Asociados, Attn: Jaime Vera Sabater (truck and trailer freight transport company), 7a. Calle Oriente 835, San Salvador. WTD in preparation.

### 373 Ship building, repairing

**37322—NETHERLANDS** — Small cruisers. N.V. Leeman's machinefabriek & Scheepswerf (importer), 31 Industrieweg, Zwolle. WTD 5/70.

**37322—PARAGUAY**—Runabout and utility boats, metal and plastic (fiberglass). Direct purchase and agency. Eberhard Lewkowitz (importer, distributor, agent), Casilla Postal 523, Asuncion. WTD in preparation.

**37323 — NETHERLANDS** — Fishing, other sporting boats. N.V. Leenman's Machinefabriek & Scheepswerf (importer), 31 Industrieweg, Zwolle. WTD 5/70.

### 379 Transportation equipment

**37992 — PARAGUAY** — Boat trailers, unassembled. Direct purchase and agency. Eberhard Lewkowitz (importer, distributor, agent), Casilla Postal 523, Asuncion. WTD in preparation.

### 381 Laboratory, scientific, research instruments

**38112—ITALY**—Gas and liquid chromatographic instruments and apparatus. Italab (importer, retailer), 12/R Via Scialoia, I 50136-Florence. WTD 5/70.

## Colombia prequalifying contractors for highway reconstruction project

The Colombian Ministry of Public Works will shortly issue a tender for the reconstruction and paving of the Buenaventura-El Pailon sector of the Buga-Buenaventura Highway and invites road-building contractors to submit prequalification documents.

The road is approximately ten kilometers long. Work will consist of leveling, drainage works, granular sub-base construction, asphalt base construction, construction of a rolling layer of asphaltic concrete, and construction of concrete side ditches and filters. It will also be necessary to relocate the Railroad of the Pacific one kilometer, make some deviations to the water-conduction pipes of the Buenaventura Water-Works and give maintenance to the existing road without interrupting traffic.

Prequalification submittals will be evaluated on the basis of the applicants' experience in similar jobs, their record as building contractors, available personnel and equipment, current commitments, as well as their current organization and financial situation.

Prequalification documents are available from the Division de Programas y Contratacion, Ministerio de Obras Publicas, Oficina 324, Centro Administrativo Nacional, Bogota, Colombia. The deadline for prequalification submittal is 3 p.m., July 3, at the above address.

## Terminal grain elevator project in Argentina open for bidding

The Argentine Secretariat of Public Works and Transportation invites bids for construction of a terminal grain elevator in Port of Concepcion Del Uruguay, Province of Entre Rios. Project costs are estimated at 6 million pesos and will be partially financed by an IDB loan. The bid deadline is June 29.

Conditions and complete technical specifications are available from Direcion Nacional De Construccion De Elevadores De Granos, Av. 9 De Julio 1925, Buenos Aires for 300 Argentine pesos (US$1.00-3.50 pesos). Ask for Licitacion Publica No. 349/70.

## Beet sugar factories in Greece now offered on turnkey basis

The Hellenic Sugar Industry, S.A., 26 Franklin Roosevelt St., Thessaloniki, has issued a tender for the engineering, supply of machinery, construction and initial operation of one or two beet sugar factories, on a turnkey basis. Each of the two plants should have a processing capacity of 3,000 metric tons of beets per day (3 shifts). Each bid should be accompanied by a $100,000 bond, valid for one year. The bid deadline is July 15.

A copy of the specification is available on a 3 day loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

## Papua-New Guinea publishes outline of several projects

The House of Assembly of Papua-New Guinea has issued a statement outlining proposed major investments in ports, roads, and airfields in that territory. The statement summarizes the main recommendations made in the Transport Survey which was carried out in connection with the UN's Development Program.

Copies of this statement may be obtained from the Construction and Building Materials Division, BDSA-645, Room 5611, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3602), and the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

## Pakistan to appoint consultants for microwave link project

The Pakistan Telegraph and Telephone Department has issued Tender No. 21/8/70/764 for the appointment of engineering consultants. The bid deadline is June 25.

Bids should offer proposals in triplicate for appointment of engineering consultants for the microwave link project between Chittagong and Khulna via Barisal.

Copies of the tender announcement and specifications are available from the M.N.A. Kirmani, Divisional Engineer (Purchase) T&T Directorate General Government of Pakistan Block No. 12 Room #2, Frere Rd., Karachi on payment of 100 rupees or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

# New Trade Lists

*The Bureau of International Commerce has published the following Trade Lists. Mimeographed copies may be obtained by firms domiciled in the United States from BIC-924, U.S. Department of Commerce, Washington, D.C. 20230, and from Department of Commerce Field Offices. The price is $1.00 per list for each country.*

American Firms, Subsidiaries and Affiliates—Colombia, May 1970

American Firms, Subsidiaries and Affiliates—Denmark, May 1970

American Firms, Subsidiaries and Affiliates—Finland, May 1970

# Future Construction

*For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.*

**ITALY**—A project calling for the construction of a major **industrial port** at Manfredonia, a predominantly fishing town of 42,000 inhabitants on Italy's East Coast about 80 miles north of Bari, was approved recently by a committee which met in Bari to discuss the project. This committee was comprised of several officials of the Ministry, the Cassa, and the Bari City and Provincial administrations. Upon approval, the port construction proposals were referred to the authorities of the Ministry of Public Works for further study and final approval. According to scanty information available the project seems virtually assured of approval by the Ministry, with initial construction to be undertaken possibly within this year. The construction company SNAM-Progetti, which is part of the State-owned ENI group, had earlier received a contract from the Cassa per il Mezzogiorno for the preparation of a special study on the design, engineering and eventual construction of the new port facility. In this connection SNAM-Progetti worked closely with Dutch engineers and consultants in the development of the recently-approved plan. SNAM-Progetti reportedly will face major problems in connection with foundation work in constructing the main marine terminal. The project calls for the creation of an off-shore island connected to the mainland by a 6,500 foot floating pier. The pier will be equipped with 36 foot-deep berthing facilities capable of accommodating vessels of up to 25,000 tons d.w.t. The future harbor site will be located in the north-eastern part of Manfredonia very near the town's proposed industrial zone. Completion of the new facility has been set for 1973, at which time the port will be expected to handle 4 million tons of general cargo annually. In this connection Manfredonia will be the natural outlet to the sea for nearby Foggia, just 23 miles away, where the recent discovery of natural gas deposits has aroused interest in potential but so-far unrealized investment schemes. The Adriatic expressway and the main rail system will provide direct and speedy communications between Manfredonia and the leading industrial cities in Italy. Hopefully the existence of the port itself will prove to be a stimulus to new investments in the area.

**ITALY**—The major petrochemical firm ANIC (Azienda Nazionale Idrocarburi), which is part of the State-controlled ENI group, has announced plans to construct a **major petrochemical complex** in Manfredonia consisting of an ammonia processing plant and an artificial fiber processing plant. These projects reportedly will entail investments by ANIC of about $300 million and will provide employment for at least 1,000 persons. The fiber processing plant will be operated jointly by ANIC and by SNIA-VISCOSA. The latter firm is privately owned and is a large manufacturer in Italy of synthetic fibers.

**KUWAIT**—Kuwait's Ministry of Public Works, Major Projects Administration, has in its report on **Major Development Projects** indicated the following to be in the design stages: 1. Western extension to Kuwait Port. 2. Kuwait national museum. 3. Central bank building. 4. Planning institute. 5. Radio & TV center. 6. National Mosque. 7. Great Mulbarak hospital. 8. Pharmaceutical factory & laboratory. 9. Kuwait international airport building. 10. Kuwait sports club. 11. Kuwait City waterfront development. 12. Kuwait sport city. 13. Fahaheel hospital. 14. Paralysis institute. 15. Kuwait international airport terminal extension.

**NEW GUINEA**—The Bougainville **Copper Project** valued at $350 million and scheduled for production to commence in early 1972 was summarized in a statement to the House Assembly by A. P. J. Newman, Assistant Administrator (Economic Affairs) Territory of Papua and New Guinea. The statement contains a brief description of facilities required for the Arawa townsite and for the construction of the Kieta-Tununu Road, together with plans for borrowing and repaying the approximately U.S. $30 million required for the several projects. Copies of this statement may be obtained from the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

**NEW ZEALAND**—It has recently been announced that, as a result of the current development and construction of an aluminum smelter at Bluff, South Island, some NZ$16.5 million (NZ$1.00 = U.S.$1.12) will be spent in New Zealand in the near future on **capital equipment and machinery for processing aluminum.** In the Auckland area this expenditure is expected to amount to NZ$7.5 million. Comalco Industries Pty. Ltd. will spend some NZ$3 million on **two Auckland plants to convert primary aluminum into forms used by manufacturers** for end products, presses to extrude aluminum sections, and a high speed aluminum foil mill. Local foil demands are at present met from imported foil. Comalco is also spending some NZ$7 million in the South Island, probably in the Bluff area, to establish a facility. This will entail investment in casting equipment to produce rolling block extrusion billet and other shapes, and redraw rod—a basic material for making aluminum wire and cable. Another substantial New Zealand **aluminum processing company,** Alcon (New Zealand) Ltd. has announced a NZ$6.5 million expenditure on plant and equipment. NZ$4.5 million will be spent for the establishment of an **aluminum foil plant** as an extension to the company's facility at Wiri, 16 miles south of Auckland city. Also included in this expenditure is a new extrusion press to double present capacity, and ancillary equipment for the company's sheet rolling mill. Alcan plans the expenditure of NZ$2 million for an **aluminum rod plant for electric cable.** This plant will be established in the South Island in consortium with other unnamed New Zealand companies. McKechnie Bros. (New Zealand) Ltd., of New Plymouth, has also announced the expenditure of NZ$1 million for equipment for an **aluminum extrusion plant.**

**NEW ZEALAND**—American Airlines, which plans to introduce biweekly jet services to New Zealand in July, will participate jointly with the Williams Development Holdings Co. of New Zealand in the **construction and management of a modern 30 story 250 room hotel in Wellington.** Construction of the new Duke



XUM

of Wellington Hotel is scheduled to start early in 1971, with the opening set for 1973. American Airlines will also help finance and manage two other new hotels, one in Christchurch and one in Queenstown, New Zealand; two new hotels will be built in Fiji.

**PANAMA**—The Panamania Minister of Education has outlined the program of the Provisional Junta Government (PJG) to **construct four vocational schools and acquire educational materials and equipment.** According to the Minister, this first phase is to cost $6,330,000 over three years and it has been prepared on the basis of a loan received from the Inter-American Development Bank, Loan 244/SF-PN. Bids for this project will have to conform with Panama's regulations which include the requirement that foreign firms must submit their bids through an agent or representative established in Panama. U.S. firms may write for further details to the following office: Ing. Edgardo Jaen Moscoso, Director, Oficina de Administracion del Programa, Educacion—BID, P.O. Box 4401, Panama 5, R.P.

**THAILAND**—The Stage I feasibility study of the **$1.2 billion Pa Mong River Multi-Purpose Project (A Mekong Basin Project)** was completed December 1969. The Phase II study is scheduled to begin by June 1971. This project is expected to consist of—Pa Mong, Nam Mong & Nam Lik Dams, dikes, reservoir, $298,690,000; Pa Mong power plant & transmission facilities, $647,610,000; project communications facilities, $3,420,000; reservoir clearing, access & relocation roads & construction facilities, $137,300,000; Vientiane Div.—irrigation facilities, $20,960,000; Huai Mong div.—irrigation facilities, $50,880,000; and domestic, municipal & industrial facilities, $1,140,000. It is suggested that interested U.S. firms contact the Committee for Coordination of Investigations of the Lower Mekong Basin (LMCC), ECAFE, National Energy Authority Compound, Pibultham Villa Kasatsuk Bridge, Rama I Road, Bangkok, Thailand.

**THAILAND**—A $110,000,000 **Five Year development program of the Metropolitan Bangkok Water supply, treatment and distribution facilities** has been announced. The master plan for this project began in 1968 and was completed in February 1970; final plans and specifications have not yet been started. Earliest tendering date will probably be late 1972. U.S. firms interested in tunnel construction, installation of pump facilities and water treatment plants and the supply of pumping machinery, water treatment plant equipment, diesel engines, tunnel machinery, fabricated steel, metering equipment covering a wide range of flows, pipeline fabricating machinery, etc., are encouraged to contact Kanjana Hengsuvanij, General Manager, Metropolitan Waterworks Authority, Siyak Mansri, Sapandum, Bumrung Muang Road, Bangkok, Thailand.

**THAILAND—Improvements to the existing Samsen water supply system** valued at $1,300,000 are planned to include a new pumping station; changes in existing water treatment plants; new inverted siphon under Klong Prame Pracha Korn; and dredging of Klong Prapa. Design work should be completed by September 1970 and construction is expected to begin in late 1970. Interested U.S. firms should contact Amnuay Pranich, Samsen Office, Metropolitan Waterworks Authority, Samsen Road, Bangkok, Thailand.

**VENEZUELA**—The Assistant Director of the Sanatorio Antituberculoso of Maracaibo announced that plans are under way to **enlarge the sanatorium** to provide a wider range of medical treatment and services to hospitalized and ambulatory patients. He said that the project would include renovation of the present facilities and the construction of new buildings at the sanatorium site. When these changes were completed, the name of the sanatorium would be changed to Hospital General del Sur. No time schedule for execution of the project has been set. It is presently under study in the Ministerio de Sanidad y Asistencia Social in Caracas. The Assistant Director of the sanatorium said that he thought work on the project would begin toward the end of the present year. He expected that within the next three or four months the Government would request bids for the office furniture and medical equipment to be installed in the new buildings. Interested potential suppliers might wish to address themselves to: Ministerio de Sanidad y Asistencia Social, Seccion de Compras, Caracas.

**VENEZUELA**—The following development project for 1970 presently in various stages of early planning or study have been announced by the Corporacion Venezolana de Fomento (CVF): **Four plants for the complete and diversified use of milk** with installed daily processing capacity of 50,000 liters for each of the plants; collection, classification, preservation and packing centers for fruits and vegetables; plant to extract oil from seeds to substitute for imports as cultivated areas for oil seeds are being increased nationally; **a cocoa processing plant** producing output in semi-finished form to be sold in international markets; **plants to produce juices, pulps, concentrates and by-products of fruits** such as mango, guyaba, papaya, grape, guanabana and lime; **plant to process lumber for export,** and a broad study of the potential and technical implementation of preparing pre-cooked foods for internal and export markets. Interested U.S. firms are encouraged to communicate directly with: Dr. Hector Ochoa, Director of Industrial Promotion, Corporacion Venezolana de Fomento, Edificio La Perla, Piso 8, Bolsa a Mercaderes, Caracas.

**VENEZUELA**—Information has been received on **industrial projects under consideration for the Guayana area** which offer investment and/or export opportunities for U.S. companies. In each of these projects the Corporacion Venezolana de Guayana (CVG) (Venezuelan Corporation of Guayana—a Government development agency for the Guayana area) is prepared to offer tax, and possibly other, incentives to investors (both domestic and foreign) and to share in the equity financing. Further information concerning the projects listed below is available from the following address: Corporacion Venezolana de Guayana, Division de Planificacion, Apartado 7000, Caracas, Venezuela. Attn: Sr. Oscar Martinez A. or George Gooden L. **Foundry Plant.** The company Procesadora de Metales de Guayana, C.A. is planning to establish a substantial foundry plant in the Guayana area which will require the importation of an estimated $3 million of plant and equipment. Definite plans are being drawn up by Lester B. Knight & Associates, Inc., Consulting Engineers, 549 W. Randolph, Chicago, Ill. Offers of machinery and equipment for a foundry plant should be made to the consulting firm. **Plant for the production of elemental phosphorus.** The CVG is looking for a company interested in establishing a plant to produce 100,000 tons of elemental phosphorus. The company should have access to an adequate supply of rock phosphate and be prepared to export part—the amount to be negotiated—of the production. Companies with established markets and effective marketing techniques will receive preference. Electric power is available for this project at U.S. $0.0025 per kwh. CVG will expect to have about a 50% interest in the company to be established, the exact share to be negotiated. The foreign-owned share in the company could be held by a consortium of companies. European companies have expressed interest in this project. **Plant for specialty steels.** CVG is looking for a firm interested in establishing a plant in Guayana to produce stainless steel and other specialty steels. The plant would utilize steel from the Sidor plant, nickel from a plant to be established (See IC May 11, 1970) and electricity from the Guri dam. The contemplated annual capacity would be 100,000 tons, of which 20-30,000 tons would be consumed locally; the company would be responsible for exporting the balance. **Machine tool program.** A plant is sought for the manufacture of carbide tip cutting tools, twist drills and mill end cutters. The present Venezuelan market for these tools is about $1.5 million, but could be doubled in a few years if the Venezuelan Government requires more local content in automobiles manufactured in Venezuela. In approximately five years CVG expects that the local demand for machine tools will be adequate to justify the local manufacture of lathes and drill presses. **Condenser units for refrigerators.** CVG would welcome an offer from a company to manufacture rolled bond condenser units for refrigerators. Aluminum is available in Guayana at competitive prices. Approximately 70,000 units annually are needed in Venezuela; it is contemplated that the plant to be established will have the capacity to meet also the Colombian demand for 110,000 units annually.

## Greek agency invites proposals on cultural center complex

The Greek Ministry of Public Works invites proposals for the study, construction and operation of a complex consisting of a quality hotel unit of 800 to 1,000 beds and a congress and concert building with a capacity of 2,800 seats This complex is to be erected on a lot in the vicinity of the Athens Cultural Center.

Information and data are available from Mr. Anninos of the Housing Department, Ministry of Public Works, 4 Stadiou St., 3rd fl., Athens, every Tuesday, Friday and Saturday after 12:30 p.m. The deadline for proposal submission is Sept. 15.

Copies of the "Summary of Invitation" covering the elements of the proposals and specific terms are available from the Construction and Building Materials Division, BDSA-645, Room 5611, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-3601).

## Panama seeks bids on hospital project and basic equipment

Panama will build a hospital and seeks tenders on construction and provision of basic equipment, e.g., boilers, air conditioners, elevators, of the 200 bed hospital.

The tender No. is 11-V and a bid deadline is set for July 16. Contact Ing. Roberto Lambrano, Chief Engineer of the Social Security Agency, P.O. Box 1393, Panama 1, R.P.

Complete plans may be obtained from Ing. Lambrano upon payment of a $200 deposit, which will be returned if the plans are returned in good condition within 30 days following the announcement of the winning bid. The deposit will not be returned to firms which do not submit a bid. Bids are limited to Panamanian firms or Panamanian firms working with foreign firms. U.S. firms will have to work with and have their bids submitted by Panamanian firms.



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# Calendar *for international traders*

**CHICAGO—June 23**—In-office meeting for exporters, Commerce Field Office.

**FAIRFIELD, CONN.—July 2**—Export Managers Club of Bridgeport (Southern Connecticut) luncheon, 12-2 p.m., Fairfield Motor Inn.

**GRAND ISLAND, NEB.—June 25**—Seminars on export market development (9 a.m.) and export documentation (2 p.m.), Holiday Inn. Sponsors: Grand Island Chamber of Commerce, REEC, Commerce's Kansas City Field Office.

**HONOLULU—July 15**—How to Get Started in Exporting seminar, 10 a.m., Room 286, Commerce Field Office.

**MENLO PARK, CALIF.—June 21-24**—Annual review of business prospects: World Business Outlook for the Seventies, Stanford Research Institute. Commerce Speaker: **Lawrence A. Fox, Deputy Asst. Secretary of Commerce for International Trade Policy.**

**MINNEAPOLIS—JUNE 24**—Seminar on documenting shipments to Canada, Commerce Field Office, 2 p.m. Sponsors: REEC and Field Office.

**NASHVILLE—June 25**—Middle Tennessee Exporters' Roundtable on the Port of New Orleans, Statler-Hilton Motel.

**NEWARK—June 24**—Profits in Exports Meeting, Small Business Administration Office, 970 Broad St. Sponsors: REEC, SBA, Commerce's New York Field Office.

**NEW YORK—July 1-2**—Business consultations with U.S. Foreign Service Officers Ronald Flack and Edward Lollis, Economic Officer and Commercial Officer, respectively, in Abidjan, Ivory Coast.

**OMAHA—June 22**—Export documentation seminar, Federal Bldg., 2 p.m. Sponsors: Omaha Chamber of Commerce, REEC, Commerce's Kansas City Field Office.

**OMAHA—June 23**—Export market development seminar, Federal Bldg., 9 a.m. Sponsors: Omaha Chamber of Commerce, REEC, Commerce's Kansas City Field Office.

**PHOENIX—June 23 and 25**—In-office export workshop, 10 a.m.-noon, Commerce Field Office.

**WASHINGTON, D.C.—July 9**—Monthly meeting of the International Commerce Committee of the American Marketing Assn., Main Commerce Dept. Bldg., noon. Subject: The Role of the Combination Export Manager.

## U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities overseas, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

**ALBUQUERQUE, N. MEX.,** 87101, U. S. Courthouse. Area Code 505, 843-2386.

**ANCHORAGE, ALASKA,** 99501, 412 Hill Bldg., 632 Sixth Ave. Area Code 907, 272-6531.

**ATLANTA, GA.,** 30303, 4th Floor Home Savings Bldg., 75 Forsyth St., NW. Area Code 404, 526-6000.

**BALTIMORE, MD.,** 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301, 962-3560.

**BIRMINGHAM, ALA.,** 35205, Suite 200-201, 908 S. 20th St. Area Code 205, 325-3327.

**BOSTON, MASS.,** 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617, 223-2312.

**BUFFALO, N.Y.,** 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716, 842-3208.

**CHARLESTON, S.C.,** 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803, 577-4171.

**CHARLESTON, W. VA.,** 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304, 343-6181 Ext. 375 and 376.

**CHEYENNE, WYO.,** 82001, 6022 Federal Bldg., 2120 Capitol Ave., Area Code 307, 778-2220.

**CHICAGO, ILL.,** 60604, 1486 New Federal Bldg., 219 S. Dearborn St. Area Code 312, 353-4400.

**CINCINNATI, OHIO,** 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513, 684-2944.

**CLEVELAND, OHIO,** 44114, Room 600, 666 Euclid Ave. Area Code 216, 522-4750.

**DALLAS, TEX.,** 75202, Room 1200, 1114 Commerce St. Area Code 214, 749-3287.

**DENVER, COLO.,** 80202, Room 161 New Customhouse, 19th and Stout Sts. Area Code 303, 297-3246.

**DES MOINES, IOWA,** 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515, 284-4222.

**DETROIT, MICH.,** 48226, 445 Federal Bldg. Area Code 313, 226-6088.

**GREENSBORO, N.C.,** 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919, 275-9111.

**HARTFORD, CONN.,** 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203, 244-3530.

**HONOLULU, HAWAII,** 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808, 546-5977.

**HOUSTON, TEX.,** 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713, 226-4231.

**JACKSONVILLE, FLA.,** 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904, 791-2796.

**KANSAS CITY, MO.,** 64106, Room 1840, 601 E. 12th St. Area Code 816, 374-3141.

**LOS ANGELES, CALIF.,** 90024, 11th Floor, Federal Bldg., 11000 Wilshire Blvd. Area Code 213, 824-7591.

**MEMPHIS, TENN.,** 38103, 710 First American Bank Bldg., 147 Jefferson Ave. Area Code 901, 534-3214.

**MIAMI, FLA.,** 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305, 350-5267.

**MILWAUKEE, WIS.,** 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414, 272-8600.

**MINNEAPOLIS, MINN.,** 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612, 725-2133.

**NEW ORLEANS, LA.,** 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504, 527-6546.

**NEW YORK, N.Y.,** 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212, 264-0634.

**PHILADELPHIA, PA.,** 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215, 597-2850.

**PHOENIX, ARIZ.,** 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602, 261-3285.

**PITTSBURGH, PA.,** 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412, 644-2850.

**PORTLAND, ORE.,** 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503, 226-3361.

**RENO, NEV.,** 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702, 784-5203.

**RICHMOND, VA.,** 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703, 649-3611.

**ST. LOUIS, MO.,** 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314, 622-4243.

**SALT LAKE CITY, UTAH,** 84111, 3235 Federal Bldg., 125 S. State St. Area Code 801, 524-5116.

**SAN FRANCISCO, CALIF.,** 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415, 556-5864.

**SAN JUAN, P.R.,** 00902, Room 100, Post Office Bldg. Phone 723-4640.

**SAVANNAH, GA.,** 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912, 232-4321.

**SEATTLE, WASH.,** 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206, 583-5615.

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